

**NORTH CAROLINA
CONSTITUTIONAL AND STATUTORY PROVISIONS
WITH RESPECT TO
HIGHER EDUCATION**

**Doc. No. 7
11-24-61**

**INSTITUTE OF GOVERNMENT
UNIVERSITY OF NORTH CAROLINA
CHAPEL HILL**

**The Governor's Commission on Education
Beyond the High School**

INSTITUTE OF GOVERNMENT
LIBRARY

This book must not be taken from the
Institute of Government Building

NORTH CAROLINA
CONSTITUTIONAL AND STATUTORY PROVISIONS
WITH RESPECT TO
HIGHER EDUCATION

Prepared for
The Governor's Commission on Education
Beyond the High School
by
John L. Sanders
Secretary to the Commission

Raleigh

1961

Religion, morality, and knowledge
being necessary to good government
and happiness of mankind, schools,
and the means of education, shall
forever be encouraged.

- Constitution of
North Carolina,
Art. IX, Sec. 1
(1868)

FOREWORD

This is a compilation of the principal constitutional and statutory provisions governing higher education in North Carolina, in force on July 1, 1961.

Except as otherwise indicated, the texts of the statutes here set forth are complete, and have been taken from chapters 115 and 116 of The General Statutes of North Carolina.

There are, in addition to the statutes found in this compilation, several state statutes which are applicable to state agencies and institutions generally and which must be examined by anyone seeking a full knowledge of the statutory framework within which the state institutions of high education function. Included in this category are the Executive Budget Act (G.S. ch. 143, art. 1), the Department of Administration Act (G.S. ch. 143, art. 36), the State Personnel Act (G.S. ch. 143, art. 2), the State Purchasing Act (G.S. ch. 143, arts. 3 and 3A), and the State Property Control Act (G.S. ch. 146).

John L. Sanders

Secretary

The Governor's Commission on

Education beyond the High School

CONTENTS

General

I.	North Carolina Board of Higher Education	1
II.	The University of North Carolina	
	A. Constitutional Provisions	6
	B. Statutory Provisions	
	1. General Provisions	7
	2. North Carolina State College	21
	3. Woman's College	23
	3A. Revenue Bonds	24
	4. Miscellaneous Provisions	30
III.	State Colleges	33
IV.	Community Colleges	38
V.	Tuition	48
VI.	Scholarships	
	A. Children of Veterans	49
	B. Prospective Teachers	52
	C. Health Services Personnel	55
	D. Prospective Dentists	57
VII.	Miscellaneous	
	A. Motor Vehicles	58
	B. Student Minimum Wage	59
	C. Admissions Testing Reimbursement	60
	D. Criminal Law	61
	E. Teacher Education	65
	F. Cadavers for Medical Schools	66
VIII.	College Revolving Fund	68
IX.	Revenue Bonds for Student Housing	70



Digitized by the Internet Archive
in 2013

CONTENTS

Detailed

I. NORTH CAROLINA BOARD OF HIGHER EDUCATION

§ 116-154.	Creation and purpose	1
§ 116-155.	Definitions	1
§ 116-156.	Membership; appointment, term and qualifications; vacancies	1
§ 116-157.	Chairman, vice-chairman and secretary	2
§ 116-158.	Powers and duties generally	2
§ 116-159.	Board's decisions subject to approval by Director of the Budget; limited by appropriations	3
§ 116-160.	Hearings concerning proposed action	3
§ 116-161.	Certain powers of Board of Education vested in Board of Higher Education	3
§ 116-162.	Biennial reports	3
§ 116-163.	Office space; Director of Higher Education; other employees; review of decisions of Director	3
§ 116-164.	Compensation and expenses of members	4
§ 116-165.	Necessary expenditures to be provided for in budget	4
§ 116-166.	Recommendations concerning employment of persons by institutions prohibited	4
§ 116-167.	Control over institutions by boards of trustees	4
§ 115-11.	Powers and duties generally	5
§ 115-258.	Right to confer degrees restricted	5
§ 115-259.	Powers to grant license to confer degrees	5
§ 115-260.	Inspection of institution; revocation of license	5

II. THE UNIVERSITY OF NORTH CAROLINA

A. Constitutional Provisions 6

B. Statutory Provisions

1. General Provisions

§ 116-1. Constitutional provisions 7

§ 116-2. Consolidated University of North Carolina . . 7

§ 116-3. Incorporation and corporate powers 7

§ 116-3.1. School of dentistry 8

§ 116-4. Trustees; number, election and term 8

§ 116-5. Living Governors made honorary members
of board of trustees 8

§ 116-6. Trustees may remove members of board 8

§ 116-7. Filling vacancies in board 9

§ 116-8. Meetings of trustees, regular and special;
quorum 9

§ 116-9. Governor to preside at trustees' meetings
or appoint presiding officer 9

§ 116-10. Rules and regulations 9

§ 116-11. Executive committee 10

§ 116-12. President and faculty 10

§ 116-13. Treasurer; duties and bond 10

§ 116-14. Vacancies in offices of secretary and
and treasurer 10

§ 116-15. Extension work 10

§ 116-16. Awarding of degrees, etc., by
consolidated University 10

§ 116-17. Application of receipts 10

§ 116-18. Gifts and endowments belong to institution
to which made; administration of such funds . 11

§ 116-19.	Tax exemption	11
§ 116-20.	Escheats to University	11
§ 116-21.	Unclaimed real and personal property escheats to the University of North Carolina	12
§ 116-22.	Unclaimed personal on settlements of decedents' estates without heirs shall be paid over or delivered to the University of North Carolina	12
§ 116-22.1.	Sections 116-21 and 116-22 apply to administrator for estate of person missing for seven years	12
§ 116-23.	Other unclaimed personalty to University . .	13
§ 116-23.1.	Unclaimed funds held or owing by life insurance companies	13
§ 116-24.	Certain unclaimed bank deposits to University	15
§ 116-25.	Other escheats	16
§ 116-26.	Application of receipts	18
§ 53-20.	Liquidation of banks	18
§ 55-130.	Disposition of amounts due to unavailable shareholders and creditors	19
§ 60-130.	Funds from unclaimed freight to be paid to State University	20

2. North Carolina State College of Agriculture and
Engineering of the University of North Carolina

§ 116-27.	Operation of State College at Raleigh	21
§ 116-28.	Object of the College	21
§ 116-29.	Share in appropriations by Congress	21
§ 116-30.	Board to accept gifts and congressional donations	21
§ 116-31.	Land scrip fund	21

§ 116-32.	Agricultural experiment station	21
§ 116-33.	Land for experimental purposes	22
§ 116-34.	Joint employment by College and State	22
§ 116-35.	Co-ordinating committee of College and Department of Agriculture created	22
§ 116-36.	Duties of co-ordinating committee	22
§ 116-37.	Findings of committee to be binding on Commissioner of Agriculture and presi- dent of University	22
3.	Woman's College of the University of North Carolina	
§ 116-38.	Operation of College for Women at Greensboro	23
§ 116-39.	Objects of institution	23
§ 116-40.	Admission of students	23
§ 116-41.	Dining halls	23
3A.	Revenue Bonds for Service and Auxiliary Facilities	
§ 116-41.1.	Definitions	24
§ 116-41.2.	Powers of board of trustees generally	25
§ 116-41.3.	University authorized to pay service charges; payments deemed revenues	26
§ 116-41.4.	Bonds authorized; amount limited; form, execution and sale; terms and conditions; use of proceeds; additional bonds; interim receipts or temporary bonds; replacement of lost, etc., bonds; approval or consent for issuance; bonds not debt of State	26
§ 116-41.5.	Contents of resolution authorizing issuance; powers liberally construed; deposit and use of revenues; rights and remedies of bondholders; service charges; insurance of projects; depositories	27
§ 116-41.6.	Pledge of revenues; lien	28

§ 116-41.7. Proceeds of bonds, revenues, etc., deemed trust funds	28
§ 116-41.8. Rights and remedies of bondholders	28
§ 116-41.9. Refunding revenue bonds	28
§ 116-41.10. Exemption from taxation	29
§ 116-41.11. Executive committee may be authorized to exercise powers and functions of board . . .	29
§ 116-41.12. Part provides supplemental and additional powers; compliance with other laws not required	29

4. Miscellaneous Provisions

§ 116-42. License for operating billiard tables, etc., to be approved by president of University	30
§ 116-43. License for exhibiting any form of amusements and entertainments to be approved by president of University	30
§ 116-44. Violation of two preceding sections; misdemeanor; jurisdiction; participant must testify	30
§ 116-44.1. Motor vehicle laws applicable to streets, alleys and driveways on campuses of the University of North Carolina; University trustees authorized to adopt traffic regulations	31
§ 131-122. Expansion of medical school of the University of North Carolina	32

III. STATE COLLEGES

§ 116-45. Primary purpose of named institutions	33
§ 116-46. Provisions common to all named institutions	34
§ 116-46.1. Motor vehicle laws applicable to streets, alleys and driveways on campus of Appalachian State Teachers College; college trustees authorized to adopt traffic regulations	37

IV. COMMUNITY COLLEGES

§ 116-47.	Short title	38
§ 116-48.	Purpose	38
§ 116-49.	Definitions	38
§ 116-50.	Boards of trustees to govern colleges; composition; appointment, terms and qualifications of members; vacancies; election of officers	38
§ 116-51.	Official title of board of trustees; name of college; powers generally	39
§ 116-52.	Enumerated powers of board	39
§ 116-53.	Appropriations by State	40
§ 116-54.	Local appropriations or bond issues to supplement State appropriations	41
§ 116-55.	Disposition of proceeds of local bond issue	41
§ 116-56.	County taxes for maintenance of college; election on question of levying	41
§ 116-57.	Election by college to come under article; procedure; provisions as to certain colleges	42
§ 116-58.	Establishment of community college	44
§ 116-59.	Board of Higher Education authorized to establish minimum standards	44
§ 116-60.	Payment of expenses of special election under article	44
§ 116-61.	Discontinuance as a community college	45
§ 116-62.	Construction and effect of article	45
§ 153-77.	Purposes for which bonds may be issued and taxes levied	46
S.L. 1961, c. 833.	Current Appropriations Act	47

V. TUITION

§ 116-143.	State-supported institutions required to charge tuition fees	48
§ 116-144.	Higher fees from nonresidents may be charged	48

VI. SCHOLARSHIPS

A. Children of Veterans

§ 116-149.	Definitions	49
§ 116-150.	Scholarship	49
§ 116-151.	Classes of eligible children entitled to scholarships	50
§ 116-152.	Institution reimbursed for free room rent and board	50
§ 116-153.	Scholarships for children of veterans of World War I dying in veterans hospitals . . .	50

B. Prospective Teachers

§ 116-171.	Establishment of Fund	52
§ 116-172.	Appropriations paid into Fund; how administered	52
§ 116-173.	Duration of Fund; loans repaid and interest received added to Fund and administered for same purposes	52
§ 116-174.	Fund administered by State Superintendent of Public Instruction; rules and regulations	52

C. Health Services Personnel

§ 131-121.	Medical and other students; loan fund	55
§ 131-121.1.	Graduate students in sociology and psychology; loan fund	56
§ 131-124.	Medical training for negroes	56

D. Prospective Dentists

§ 130-188.	State Board of Health	57
------------	---------------------------------	----

§ 130-189.	Conditions under which loans to be made . . .	57
§ 130-190.	Administration and custody of loan fund; selection of recipients; loans to minors . .	57

VII. MISCELLANEOUS

A. Motor Vehicles

§ 116-186.	Registration and regulation of motor vehicles maintained and operated by students on campuses	58
------------	---	----

B. Student Minimum Wage

§ 9.1.	Student minimum wage	59
--------	--------------------------------	----

C. Admissions Testing Reimbursement

§ 20.	Admissions testing reimbursement	60
-------	--	----

D. Criminal Law

§ 14-35.	Hazing; definition and punishment	61
§ 14-36.	Expulsion from school; duty of faculty to expel	61
§ 14-37.	Certain persons and schools excepted; copy of article to be posted	61
§ 14-38.	Witnesses in hazing trials; no indictment to be founded on self-criminating testi- mony	61
§ 14-198.	Lewd women within three miles of colleges and boarding schools	61
§ 14-397.	Use of name of denominational college in connection with dance hall	62
§ 14-401.1.	Misdemeanor to tamper with examination questions	62
§ 18-87.	No license for sales upon school property . .	63
§ 20-139.	Operation upon driveways of public or private institutions while under the influence of intoxicating liquors, etc. . . .	63
§ 20-140.1.	Reckless driving upon driveways of public or private institutions, establishments providing parking space, etc.	63

E. Teacher Education

§ 115-156. Colleges to aid as to certificates	65
---	----

F. Cadavers for Medical Schools

§ 90-211. Board for distribution	66
§ 90-212. What bodies to be furnished	66
§ 90-213. Autopsies unlawful without consent of Board	67
§ 90-214. Bodies to be distributed to medical schools	67
§ 90-215. How expenses paid	67
§ 90-216. Violation of article misdemeanor	67

VIII. COLLEGE REVOLVING FUND

§ 116-168. Establishment, purpose and nature of Fund; loans	68
§ 116-169. Terms of loans	68
§ 116-170. How loans secured and paid	69

IX. REVENUE BONDS FOR STUDENT HOUSING

§ 116-175. Definitions	70
§ 116-176. Issuance of bonds	71
§ 116-177. Revenues for payment of bonds; rules for use of facilities	72
§ 116-178. Trust agreement	72
§ 116-179. Sale of bonds; functions performed by executive committee	73
§ 116-180. Moneys received deemed trust funds	73
§ 116-181. Remedies	73
§ 116-182. Refunding bonds	73
§ 116-183. Acceptance of grants; exemption from taxation.	74
§ 116-184. Article cumulative	74
§ 116-185. Inconsistent laws declared inapplicable	74

I. NORTH CAROLINA BOARD OF HIGHER EDUCATION

ARTICLE 16.

State Board of Higher Education.

§ 116-154. **Creation and purpose.**—There is hereby created the North Carolina Board of Higher Education. The purpose of the Board shall be, through the exercise of the powers and performance of the duties set forth in this article, to plan and promote the development of a sound, vigorous, progressive, and co-ordinated system of higher education in the State of North Carolina. In pursuit of this objective the Board will seek the cooperation of all the institutions of higher education and of other educational agencies in planning a system of higher education that will serve all the higher educational needs of the State and that will encourage a high standard of excellence in all institutions composing the system, each operating under the direction of its own board of trustees in the performance of the functions assigned to it. (1955, c. 1186, s. 1; 1959, c. 326, s. 1.)

Editor's Note.—Session Laws 1957, c. 1142, inserting §§ 116-45 and 116-46 provides: "Nothing herein contained shall be taken as repealing or altering any section of G. S. 116-154 through G. S. 116-167; and in the event of any conflict between the provisions of this act and G.

S. 116-154 through G. S. 116-167, inclusive, the latter shall control."

The 1959 amendment inserted the words "plan and" in line four and deleted the words "and operation" formerly following "development" in line four. It also added the last sentence.

§ 116-155. **Definitions.**—As used herein:

"Board" refers to the North Carolina Board of Higher Education.

"Higher education" refers to all educational and instructional curricula and services beyond the twelfth grade or its equivalent.

"Institutions of higher education" and "such institutions" refer to all institutions of higher education now existing or hereafter established supported wholly or in part by direct appropriations of the North Carolina General Assembly. (1955, c. 1186, s. 2.)

§ 116-156. **Membership; appointment, term and qualifications; vacancies.**—The Board shall consist of nine citizens of North Carolina, one of whom shall be a member of the State Board of Education but none of whom shall be officers or employees of the State nor officers, employees or trustees of such institutions. Members shall be appointed by the Governor for terms of eight years, except that of the first Board appointed, two members shall serve for two years, two shall serve for four years, and two shall serve for six years and three shall serve for eight years. Terms of all members of the first Board shall commence July 1, 1955.

All regular appointments, except appointments to the first Board, shall be subject to confirmation by the House of Representatives and the Senate in joint session assembled. The Governor shall forward all such appointments, except those of the first Board, to the General Assembly before the fortieth legislative day of each regular session. The Governor shall, without such confirmation, appoint members to fill vacancies for unexpired terms.

Appointees to the Board shall be selected for their interest in and ability to contribute to the fulfilment of the purpose of the Board. All members of the Board shall be deemed members at large charged with the responsibility of serving the best interests of the whole State. No member shall act as the representative of any particular region or of any particular institution of higher education. (1955, c. 1186, s. 3.)

§ 116-157. **Chairman, vice-chairman and secretary.**—The Board shall elect annually from among its members a chairman, vice-chairman, and a secretary. (1955, c. 1186, s. 4.)

§ 116-158. **Powers and duties generally.**—The Board shall have the following specific powers and duties, in the exercise and performance of which it shall be subject to the provisions of article 1, chapter 143 of the General Statutes except as herein otherwise provided:

(1) The Board shall allot the major functions and activities of each of such institutions, all such functions and activities remaining as they now are until changed with the approval or by action of the Board. In discharging this duty, the Board shall consider the purpose for which an institution was established, the provisions of its charter, its existing functions and activities, the need for the function or activity in question in that particular institution, and the extent to which such need is already being met by other institutions. Further, the Board shall take into consideration the need to promote educational methods and standards for the training of persons for the teaching profession to the end that the entire field of public education will be best served.

(2) The Board shall determine the types of degrees which may be granted by each of such institutions.

(3) The Board shall inspect each such institution at least once biennially, and shall make or cause to be made such other inspections as it shall deem necessary.

(4) The Board shall prescribe uniform statistical reporting practices and policies to be followed by such institutions where it finds such uniformity will promote the purpose of the Board.

(5) All institutions included in the State System of Higher Education shall conform to the educational functions and activities assigned to them respectively: Provided, that the Board shall not require any institution to abandon or discontinue any existing educational functions or activities, if, after notice and hearing, the institution is not in agreement with the decision of the Board, until such decision is first recommended to and approved by the General Assembly.

(6) The Board shall review and appraise the biennial budget requests of all institutions and shall make its recommendations with respect to such requests to the Director of the Budget and the Advisory Budget Commission.

Upon request of the Board each institution shall furnish the Board with a copy of its biennial budget requests and related statements, information, data and estimates specified in G. S. 143-6 at a time designated by the Board so that the Board may review and appraise such requests prior to the hearings before the Advisory Budget Commission provided in G. S. 143-10. The Board's recommended budget expenditures transmitted to the Director of the Budget and the Advisory Budget Commission shall be accompanied by supporting data relied upon by the Board and the Board shall advise the Commission as to whether the budget requests made by each institution are consistent with the primary purposes of the institution and with the functions allocated to the institution by statute or by the Board, and if an institution's requests are deemed inconsistent, the institution shall be so advised.

(7) The Board, in the event of a reduction of appropriations by the Director of the Budget in order to prevent an overdraft or deficit under the provisions of G. S. 143-25, shall, upon the request of the Director of the Budget, after consulting the president of each institution recommend a revised budget for each such institution.

(8) Any requests of an institution for transfers and changes as between objects and items in the approved budget of such institution and involving the establishment of new educational functions or activities shall first be submitted to the Board of Higher Education for approval before being presented to the Director of the Budget.

(9) The Board shall possess such powers as are necessary and proper for the exercise of the foregoing specific powers, including the power to make and enforce such rules and regulations as may be necessary for effectuating the provisions of this article. (1955, c. 1186, s. 5; 1959, c. 326, ss. 2-7.)

Editor's Note. — The 1959 amendment changed subsection (a) by substituting "allot" for "determine" in line one and substituting "action" for "order" in line three. The amendment also inserted in line one of subsection (d) the words "statistical reporting", and rewrote subsections (e), (f), (g) and (h).

§ 116-159. Board's decisions subject to approval by Director of the Budget; limited by appropriations.—In the exercise of the powers conferred on the Board, it is intended that its decisions on fiscal matters concerning such institutions shall be subject to the approval of the Director of the Budget, and its decisions of an educational nature shall be made by the Board within the limits of appropriated funds and fiscal availability. (1955, c. 1186, s. 6.)

§ 116-160. Hearings concerning proposed action. — Before final action is taken by the Board in the exercise of powers conferred by subsections (a), (b), (d), (e) and (f) of § 116-158, the presidents and such persons as they may designate shall be granted an opportunity to be heard by the Board concerning the proposed action. (1955, c. 1186, s. 7; 1959, c. 326, s. 8.)

Editor's Note. — The 1959 amendment added the reference to subsection (f) of § 116-158 and substituted the words "such persons as they may designate" for the words "chancellors of such institutions to be affected, together with such other persons as they may desire."

§ 116-161. Certain powers of Board of Education vested in Board of Higher Education.—All powers and functions of the State Board of Education concerning higher education and institutions of higher education, except for necessary collaboration with institutions of higher education in the training and certification of public school teachers and principals, shall be vested herewith in the North Carolina Board of Higher Education. (1955, c. 1186, s. 8.)

Note: See page 5, below.

§ 116-162. Biennial reports.—The Board shall prepare and publish biennially a report to the Governor, the General Assembly, and such institutions setting forth the progress, needs and recommendations of the Board. (1955, c. 1186, s. 9.)

§ 116-163. Office space; Director of Higher Education; other employees; review of decisions of Director.—In order to effectuate the provisions of this article, the Board shall be furnished suitable quarters in Raleigh, and shall, subject to the approval of the Governor, appoint a full-time Director of Higher Education. The salary of the Director of Higher Education shall be fixed by the Governor subject to the approval of the Advisory Budget Commission. The Director of Higher Education shall have training and experience in the field of higher education and shall be well qualified to serve as the Director of a State System of Higher Education as contemplated by this article. The Director of Higher Education shall be responsible to the Board and shall perform such duties and exercise such powers as shall be prescribed by the Board. The Board shall, within the limits of funds provided by law, appoint such other employees as shall be sufficient to carry out the provisions of this article, such employees being subject to the provisions of article 2, chapter 143 of the General Statutes. Any institution aggrieved by any action or decision of the Director of Higher Education shall, upon request, be afforded an opportunity to be heard by the Board with respect thereto. (1955, c. 1186, s. 10; 1957, c. 541, s. 21.)

Editor's Note. — Prior to the 1957 amendment the salary of the Director was fixed by the Board with the approval of the Governor.

§ 116-164. Compensation and expenses of members.—Members of the Board shall receive no compensation for their services other than such per diem allowances and such allowance for travel expenses as shall be provided in each biennial Appropriation Act for such members. (1955, c. 1186, s. 11.)

§ 116-165. Necessary expenditures to be provided for in budget.—The necessary expenditures of the Board shall be provided for in a budget subject to the terms of article 1, chapter 143 of the General Statutes. (1955, c. 1186, s. 12.)

§ 116-166. Recommendations concerning employment of persons by institutions prohibited.—No member or employee of the Board shall make any recommendation concerning the prospective employment of any person by any of such institutions. (1955, c. 1186, s. 13.)

§ 116-167. Control over institutions by boards of trustees.—The various boards of trustees of the institutions of higher education shall continue to exercise such control over the institutions as is provided by law, subject only to the North Carolina Board of Higher Education within the limits of its jurisdiction as herein specified. It is not intended that the trustees of such institutions shall be divested of any powers or initiative now existing with reference to the internal affairs of such institutions, except to the extent that same are affected by the Board's exercise of the powers and performance of the duties specified in this article. (1955, c. 1186, s. 14.)

Note: The powers and duties prescribed by the following sections apparently were transferred from the State Board of Education to the Board of Higher Education in 1955 by G.S. 116-161, above, but the following sections have not been amended to reflect that transfer.

§ 115-11. Powers and duties generally.—The powers and duties of the State Board of Education are defined as follows:

. . . .

(14) Miscellaneous Powers and Duties.—All the powers and duties exercised by the State Board of Education shall be in conformity with the Constitution and subject to such laws as may be enacted from time to time by the General Assembly. Among such duties are:

. . . .

e. To regulate the conferring of degrees and to license educational institutions.

ARTICLE 33.

State Board of Education to License Certain Institutions and Regulate Degrees.

§ 115-258. Right to confer degrees restricted.—No educational institution created or established after April 15, 1923, by any person, firm, or corporation in this State shall have power or authority to confer degrees upon any person except as herein provided. (1955, c. 1372, art. 32, s. 1.)

§ 115-259. Powers to grant license to confer degrees. — The State Board of Education is authorized to issue its license to confer degrees in such form as it may prescribe to an educational institution established after April 15, 1923 by any person, firm, or corporation in this State; but no educational institution established in the State subsequent to said date shall be empowered to confer degrees unless it has income sufficient to maintain adequate faculty and equipment sufficient to provide adequate means of instruction in the arts and sciences, or any other recognized field of learning or knowledge, and unless its baccalaureate degree is conferred only upon students who have completed a four-year college course, preceded by the usual four-year high school course, or their equivalent. (1955, c. 1372, art. 32, s. 2.)

§ 115-260. Inspection of institution; revocation of license.—All institutions licensed under this article shall file such information with the State Superintendent of Public Instruction as the State Board of Education may direct, and said Board shall have full authority to evaluate any institution applying for a license to confer degrees under this article. And if any one of them shall fail to maintain the required standard the State Board of Education shall revoke the license to confer degrees, subject to a right of review of this decision by a judge of the superior court upon action instituted by the educational institution whose license had been revoked. (1955, c. 1372, art. 32, s. 3.)

II. THE UNIVERSITY OF NORTH CAROLINA

A. Constitutional Provisions

CONSTITUTION OF NORTH CAROLINA

Article IX

Sec. 6. The General Assembly shall have power to provide for the election of trustees of the University of North Carolina, in whom, when chosen, shall be vested all the privileges[,] rights, franchises and endowments heretofore in anywise granted to or conferred upon the trustees of said University; and the General Assembly may make such provisions, laws and regulations from time to time, as may be necessary and expedient for the maintenance and management of said University. (Constitution of 1868, as amended by Laws 1871-72, c. 53, and Laws 1872-73, c. 86.)

Sec. 7. The General Assembly shall provide that the benefits of the University, as far as practicable, be extended to the Youth of the State free of expense for tuition; also, that all the property which has heretofore accrued to the State, or shall hereafter accrue from escheats, unclaimed dividends or distributive shares of the estates of deceased persons, shall be appropriated to the use of the University. (Constitution of 1868.)

. . . .

Sec. 10. As soon as practicable after the adoption of this Constitution, the General Assembly shall establish and maintain, in connection with the University, a Department of Agriculture, of Mechanics, of Mining and of Normal Instruction. (Constitution of 1868, as renumbered by Public Laws 1941, c. 151, s. 3.)

B. Statutory Provisions

ARTICLE 1.

The University of North Carolina.

Part 1. General Provisions.

§ 116-1. **Constitutional provisions.**—The General Assembly shall have power to provide for the election of trustees of the University of North Carolina, in whom, when chosen, shall be vested all the privileges, rights, franchises and endowments thereof, in anywise granted to or conferred upon the trustees of such University; and the General Assembly may make provisions, laws, and regulations from time to time as may be necessary and expedient for the maintenance and management of such University. The General Assembly shall provide that the benefits of the University, as far as practicable, be extended to the youth of the State free of expense for tuition; also that all the property which has heretofore accrued to the State, or shall hereafter accrue, from escheats, unclaimed dividends, or distributive shares of the estates of deceased persons, shall be appropriated to the use of the University, and the General Assembly shall establish and maintain, in connection with the University, a department of agriculture, of mechanics, of mining, and of normal instruction. (Const., art. 9, ss. 6, 7, 14; Rev., s. 4259; C. S., s. 5781.)

Construction of the Word "Dividend."— shares," and is used as a convertible term. The word "dividend" as used in this section is synonymous with "distributive Trustees v. North Carolina R. Co., 76 N. C. 103 (1877).

§ 116-2. **Consolidated University of North Carolina.**—The University of North Carolina, the North Carolina State College of Agriculture and Engineering, and the North Carolina College for Women are hereby consolidated and merged into "The University of North Carolina." (1931, c. 202, s. 1.)

§ 116-3. **Incorporation and corporate powers.**—The trustees of the University shall be a body politic and corporate, to be known and distinguished by the name of the "University of North Carolina," and by that name shall have perpetual succession and a common seal; and by that name shall be able and capable in law to take, demand, receive, and possess all moneys, goods, and chattels that shall be given for the use of the University, and to apply the same according to the will of the donors; and by gift, purchase, or devise to receive, possess, enjoy, and retain forever any and all real and personal estate and funds, of whatsoever kind, nature, or quality the same may be, in special trust and confidence that the same, or the profits thereof, shall be applied to and for the use and purpose of establishing and endowing the University, and shall have power to receive donations from any source whatever, to be exclusively devoted to the purposes of the maintenance of the University, or according to the terms of donation.

The corporation, by its corporate name, shall be able and capable in law to bargain, sell, grant, alien, or dispose of and convey and assure to the purchasers any and all such real and personal estate and funds as it may lawfully acquire when the condition of the grant to it or the will of the devisor does not forbid it; and shall be able and capable in law to sue and be sued in all courts whatsoever; and shall have power to open and receive subscriptions, and in general may do all such things as are usually done by bodies corporate and politic, or such as may be necessary for the promotion of learning and virtue.

In addition to these powers, the board of trustees shall succeed to all the rights, privileges, duties and obligations by law, or otherwise, enjoyed by or imposed upon the University of North Carolina, the North Carolina State College of Agriculture and Engineering, and the North Carolina College for Women, prior to March 27, 1931. (1789, c. 305, ss. 1, 2, P. R.; R. S., vol. 2, pp. 424, 425; 1874-5, c. 236, s. 2; Code, ss. 2610, 2611, 2630; Rev., ss. 4260, 4261; C. S., s. 5782; 1931, c. 202, s. 4.)

Capacity to Take Devise.—See *Brewer v. University*, 110 N. C. 26, 14 S. E. 644 (1892).

§ 116-3.1. School of dentistry.—In order to carry forward the medical care program for all the people of North Carolina, the board of trustees of the University of North Carolina is hereby authorized, empowered and directed to establish and maintain, in conjunction with the medical school of the University of North Carolina, a school for the teaching of dentistry. (1949, c. 503.)

§ 116-4. Trustees; number, election and term.—There shall be one hundred trustees of the University of North Carolina, at least ten of whom shall be women, who shall be elected by the General Assembly by joint ballot of both houses. The General Assembly in one thousand nine hundred and thirty-one shall elect such trustees, and their terms of office shall commence on July 1, 1932.

Twenty-five of the trustees shall be elected for terms expiring April 1, 1933, twenty-five for terms expiring April 1, 1935, twenty-five for terms expiring April 1, 1937, and twenty-five for terms expiring April 1, 1939. As and when their terms respectively expire, their successors shall be elected by the General Assembly by joint ballot for terms of eight years. The Superintendent of Public Instruction is ex officio a trustee of the University.

The members of the board of trustees of the University or other State institutions of North Carolina shall be deemed commissioners of public charities within the meaning of the proviso to section seven of Art. XIV of the Constitution of North Carolina. (Const., art. 9, s. 6; 1873-4, c. 64; 1876-7, c. 121, ss. 1, 2; 1883, c. 124, ss. 1, 2; Code, ss. 2620, 2625; Rev., s. 4268; 1909, c. 432; 1917, c. 47; C. S., s. 5789; 1931, c. 202, ss. 4, 5; 1937, c. 139.)

This section is constitutional. Trustees *v. McIver*, 72 N. C. 76 (1875).

§ 116-5. Living Governors made honorary members of board of trustees.—Each of the former Governors of North Carolina now living is hereby made an honorary member of the board of trustees of the University of North Carolina for life, with the power to vote on all matters coming before said board of trustees for consideration. The present Governor of North Carolina, and each succeeding Governor, shall, at the expiration of the term of office of each, automatically become an honorary member of the board of trustees of the University of North Carolina for life, with the power to vote on all matters coming before the said board of trustees for consideration. (1941, c. 136.)

§ 116-6. Trustees may remove members of board.—The board of trustees shall have power to vacate the appointment and remove a trustee for improper conduct, stating the cause of such removal on the journal; but this shall not be done except at a regular meeting of the board, and there shall be present at the doing thereof at least twenty of the members of the board. (R. S., vol. 2, p. 432; Code, s. 2619; Rev., s. 4270; C. S., s. 5790.)

§ 116-7. Filling vacancies in board.—Whenever any vacancy shall happen in the board of trustees it shall be the duty of the secretary of the board of trustees to communicate to the General Assembly the existence of such vacancy, and thereupon there shall be elected by joint ballot of both houses a suitable person to fill the same. Whenever a trustee shall fail to be present for two successive years at the regular meetings of the board, his place as trustee shall be deemed vacant within the meaning of this section, but shall not apply to members serving in any branch of the United States armed forces or in the military forces of any of the allies of the United States. (1804, c. 647, P. R.; 1805, c. 678, s. 2, P. R.; 1873-4, c. 64, s. 3; Code, s. 2622; 1891, c. 98; Rev., ss. 4271, 4272; 1907, c. 828; C. S., s. 5791; 1943, c. 175.)

Editor's Note. — The 1943 amendment added the exception clause to the last sentence.

§ 116-8. Meetings of trustees, regular and special; quorum.—There shall be two regular meetings of the board of trustees each calendar year. One of these regular meetings shall be in the city of Raleigh, which meeting shall be held during the session of the General Assembly during the years that body convenes. The other regular meeting shall be held at such time and place as the Governor may appoint. At any of the regular meetings of the board any number of trustees, not less than ten, shall constitute a quorum and be competent to exercise full power and authority to do the business of the corporation; and the board or the Governor shall have power to appoint special meetings of the trustees at such time and place as, in their opinion, the interest of the corporation may require; but no special meeting shall have power to revoke or alter any order, resolution, or vote of any regular meeting; and the board of trustees at any regular meeting may, by resolution, vote, or ordinance, from time to time, as to it shall seem meet, limit, control, and restrain the business to be transacted, and the power to be possessed and exercised by special meetings of the board, called according to law, and the powers of such special meetings shall be limited, controlled and restrained accordingly. And every order, vote, resolution, or other act done, made, or adopted by any special meeting, contrary to any order, resolution, vote, or ordinance of the board at any regular meeting shall be absolutely, to all intents and purposes, null and void. (R. S., vol. 2, p. 433; 1873-4, c. 64, s. 2; Code, ss. 2616, 2618, 2621; Rev., s. 4269; C. S., s. 5792.)

§ 116-9. Governor to preside at trustees' meetings or appoint presiding officer.—The Governor shall preside at all the meetings of the board at which he may be present; and if, by indisposition or other cause, the Governor shall be absent from any meeting of the board, he may appoint, in writing, some other person, being a trustee, to act in his stead for the time being, which appointee shall preside accordingly; and if at any time the Governor shall be absent from the meeting of the board and shall not have appointed some trustee to act in his stead it shall be lawful for the board to appoint some one of their number to preside for the time being. (1805, c. 678, P. R.; R. S., vol. 2, p. 432; Code, s. 2615; Rev., s. 4263; C. S., s. 5788.)

§ 116-10. Rules and regulations.—The trustees shall have power to make such rules and regulations for the management of the University as they may deem necessary and expedient, not inconsistent with the constitution and laws of the State. (1873-4, c. 64, s. 4; Code, s. 2623; Rev., s. 4273; C. S., s. 5794.)

Resolution on Admission of Negroes.—Resolution of board of trustees of the University of North Carolina declaring the policy of the board that applications of Negroes to the undergraduate schools of the University be not accepted violated

the equal protection clause of the 14th Amendment to the U. S. Constitution. *Frasier v. Board of Trustees*, 134 F. Supp. 589 (1955), *aff'd* in 350 U. S. 979, 76 S. Ct. 467, 100 L. Ed. 848 (1956).

§ 116-11. **Executive committee.**—The trustees shall have power to appoint from their own number an executive committee which shall be clothed with such powers as the trustees may confer. (1873-4, c. 64, s. 5; Code, s. 2624; Rev., s. 4267; C. S., s. 5795.)

§ 116-12. **President and faculty.**—The trustees shall have the power of appointing a president of the University of North Carolina and such professors, tutors, and other officers as to them shall appear necessary and proper, whom they may remove for misbehavior, inability, or neglect of duty. (1789, c. 305, s. 7, P. R.; R. S., vol. 2, p. 427; Code, s. 2613; Rev., s. 4264; C. S., s. 5796.)

§ 116-13. **Treasurer; duties and bond.**—The trustees shall elect and commission some person to be treasurer for the corporation during the term of two years and until his successor shall be elected and qualified; which treasurer shall enter into bond, with sufficient sureties, payable to the State of North Carolina, in the sum of not less than ten thousand dollars, conditioned for the faithful discharge of his office and the trust reposed in him, and that all moneys and chattels belonging to the corporation that shall be in his hands at the expiration of his office shall then be immediately paid and delivered into the hands of the succeeding treasurer. Every treasurer shall receive all moneys, donations, gifts, bequests, and charities whatsoever that may belong or accrue to the corporation during his office, and at the expiration thereof shall account with the trustees for the same, and the same pay and deliver over to the succeeding treasurer; and on his neglect or refusal so to pay and deliver the same proceedings may be had against him as is or may be provided for the recovery of moneys from sheriffs or other persons chargeable with public moneys. (1789, c. 305, s. 4, P. R.; R. S., vol. 2, p. 426; Code, s. 2612; Rev., s. 4265; C. S., s. 5797.)

§ 116-14. **Vacancies in offices of secretary and treasurer.**—In case the office of secretary or treasurer of the corporation shall be vacant from any cause whatever in the recess of the board of trustees, the president shall appoint a suitable person to fill the same until the annual meeting of the board of trustees, at which time the board shall elect a proper person to fill such vacancy. (R. S., vol. 2, p. 433; Code, s. 2617; Rev., s. 4266; C. S., s. 5798.)

§ 116-15. **Extension work.**—It shall be the duty of the faculty of the University to extend its influence and usefulness as far as possible to the persons of the State who are unable to avail themselves of its advantages as resident students, by extension courses, by lectures, and by such other means as may seem to them most effective. (1919, c. 199, s. 3; C. S., s. 5837.)

§ 116-16. **Awarding of degrees, etc., by consolidated University.**—The faculty of the University, that is to say, the president and professors, shall have the power of conferring all such degrees or marks of literary distinction as are usually conferred by colleges or universities. All degrees or marks of literary distinction conferred by the University of North Carolina or any of its component colleges as herein specified, shall be conferred by the faculty of the University of North Carolina or the faculty of any one of its component colleges by and with the consent of the board of trustees, but degrees or marks of literary distinction conferred by the faculty of any one of the said colleges shall designate the college through or by which said degree or mark of literary distinction is conferred. (C. S., s. 5796; 1931, c. 202, s. 11.)

§ 116-17. **Application of receipts.**—All receipts shall be applied to the maintenance and promotion of the particular unit of the University receiving same and to the objects specified in any laws making appropriations for its support, or in accordance with the expressed wishes of any donor, as far as practicable. (1907, c. 406, s. 17; C. S., s. 5815.)

§ 116-18. Gifts and endowments belong to institution to which made; administration of such funds.—All gifts and endowments, whether moneys, goods or chattels, or real estate, heretofore or hereafter given or bestowed upon or conveyed to any one of the institutions, as existing before March 27, 1931, shall continue thereafter to be used, enjoyed, and administered by the particular unit to which they were given or conveyed; but if there were trusts, they shall be administered by said unit in accordance with the provisions of the trust deed creating them, for the benefit of the particular institution to which such trust deed was executed. The administration of all these funds, endowments, gifts, and contributions shall, however, be under the control of the board of trustees of the University of North Carolina. (1931, c. 202, s. 12.)

§ 116-19. Tax exemption.—The lands and other property belonging to the corporation shall be exempt from all kinds of public taxation. (Const., art. 5, s. 5; 1789, c. 306, s. 3, P. R.; R. S., vol. 2, p. 428; Code, s. 2614; Rev., s. 4262; C. S., s. 5783.)

§ 116-20. Escheats to University.—All real estate which has heretofore accrued to the State, or shall hereafter accrue from escheats, shall be vested in the University of North Carolina, and shall be appropriated to the use of that corporation. Title to any such real property which has escheated to the University of North Carolina, shall be conveyed by deed in the manner now provided by G. S. 146-74 through 146-78, except as is otherwise provided herein: Provided, that in any action in the superior court of North Carolina wherein the University of North Carolina is a party, and wherein said court enters a judgment of escheat in behalf of the University of North Carolina for any real property, then, upon petition of the University of North Carolina in said action, said court shall have the authority to appoint the escheat officer of the University of North Carolina as a commissioner for the purpose of selling said real property at a public sale, for cash, at the courthouse door in the county in which the property is located, after properly advertising the sale according to law. The said commissioner, when appointed by the court, shall have the right to convey a valid title to the purchaser of the property at public sale, but only after said sale shall have first been confirmed and approved by the comptroller of the University of North Carolina. The funds derived from the sale of any such escheated real property by the commissioner so appointed shall thereafter be paid by him into the escheat fund of the University of North Carolina. (Const., art. 9, s. 7; 1789, c. 306, s. 2; P. R.; R. C., c. 113, s. 11; Code, s. 2626; Rev., s. 4282; C. S., s. 5784; 1947, c. 494; 1961, c. 257.)

Editor's Note. — The 1947 amendment added all of this section beginning with the second sentence.

For a brief discussion of the 1947 amendment, and other provisions relating to escheats, see 25 N. C. Law Rev. 421.

Right Conferred by Constitution and Extended by Statute. — The right of succession by escheat to all property, when there is no wife or husband or parties to inherit or take under the statutes of descent and distribution, has been conferred upon the University of North Carolina by the State Constitution, Art. IX, § 7, and extended by this and the following five sections. *Board of Education v. Johnston*, 224 N. C. 86, 29 S. E. (2d) 126 (1944).

Vested Right Not Impaired by Repeal of Section.—The legislature cannot deprive the trustees of the University of escheated property which by virtue of this section has vested in them, by a subsequent act repealing this section. *Trustees v. Foy*, 5 N. C. 58 (1805).

Land held by incorporated town held to escheat upon repeal of town charter under the facts of the case. *University of North Carolina v. High Point*, 203 N. C. 558, 166 S. E. 511 (1932).

Applied in In re Will of Neal, 182 N. C. 405, 109 S. E. 70 (1921).

Cited in Smith v. Dicks, 17 N. C. 355, 148 S. E. 464 (1929).

The 1961 amendment struck out “§ 143-146 to and including § 143-150 of the General Statutes of North Carolina” and

substituted therefor “G. S. 146-74 through 146-78, except as is otherwise provided herein:”.

§ 116-21. Unclaimed real and personal property escheats to the University of North Carolina.—Whenever the owner of any real or personal property situated or located within this State dies intestate, or dies testate but did not dispose of all real or personal property by will, without leaving surviving any heirs, kindred or spouse to inherit said property under the laws of this State, such real and personal property shall escheat to the University of North Carolina. The University of North Carolina shall have the right to institute a civil action in the superior court of any county in which such real or personal property is situated, against any administrator, executor, and unknown heirs or unknown claimants as party defendants, which unknown heirs or unknown claimants may be served with summons and notice of such action by publication as is now provided by the laws of this State. The superior court in which such civil action is instituted shall have the authority to enter a judgment therein declaring the real and personal property unclaimed as having escheated to the University of North Carolina, and the real property may be sold according to the provisions of G. S. 116-20. A default final judgment may be entered by the clerk of the superior court in such cases when no answer is filed by the administrator, executor, unknown heirs or unknown claimants to the complaint, or if any answer is filed the allegations of the complaint are either admitted or not denied by such party defendants, and no claim is made in the answer to the property left by said deceased person. The funds derived from such sale shall be paid into the escheats fund of the University of North Carolina where said funds, together with all other escheated funds, shall be held without liability for profit, or interest subject to any just claims therefor. (1957, c. 1105, s. 1.)

Editor's Note.—The 1957 act repealed case of escheat, and substituted the above the former section, which related to evidence sufficient to make out a prima facie section in lieu thereof.

§ 116-22. Unclaimed personalty on settlements of decedents' estates without heirs shall be paid over or delivered to the University of North Carolina.—All sums of money or other personal estate of whatever kind which shall remain in the hands of any administrator, executor, administrator c. t. a., or personal representative when the administration of an estate of a person dying intestate, or partially intestate, without leaving any known heirs or spouse to inherit same, is ready to be closed, unrecovered or unclaimed by suit, by creditors, next of kin, or others entitled thereto, shall, prior to the closing of the administration of the estate, be paid, or delivered, by such administrator or executor to the University of North Carolina as an escheat and shall be included in the disbursements in the final account of such estate. In such cases as above described, the University of North Carolina is authorized, on and after June 6, 1957, to demand, sue for, recover, and collect such unclaimed monies or other personal estate of whatever kind from any administrator, or executor after the estate is ready to be closed, or from the clerk of the superior court if the unclaimed assets have been paid over to him, and the University of North Carolina shall hold the same without liability for profit or interest, subject to any just claims therefor. (1957, c. 1105, s. 2.)

Editor's Note.—

The 1957 amendment repealed the former section and substituted the above section in lieu thereof.

§ 116-22.1. Sections 116-21 and 116-22 apply to administrator for estate of person missing for seven years.—The provisions of G. S. 116-21 and 116-22 shall likewise apply to an administrator for the estate of a person who has been missing for seven years, and who has been appointed administrator under G. S. 28-2.1, when the superior court shall find in an action brought by the University of North Carolina under G. S. 116-21 or 116-22 that such missing person left no lawful heirs or lawful claimants to the property of such missing person, and that such property has escheated to the University of North Carolina (1957, c. 1105 s. 2 $\frac{1}{2}$.)

§ 116-23. **Other unclaimed personalty to University.**—Personal property of every kind, except as is otherwise provided by this chapter, including dividends of corporations, or of joint-stock companies or associations, choses in action, and sums of money in the hands of any person, which shall not be recovered or claimed by the parties entitled thereto for three years after the same shall become due and payable, shall be deemed derelict property, and shall be paid or delivered to the University of North Carolina and held by it without liability for profit or interest until a just claim therefor shall be preferred by the parties entitled thereto. (Code, ss. 2628, 2629; Rev., s. 4284; C. S., s. 5786; 1947, c. 614, s. 2; 1957, c. 1049.)

Local Modification. — Forsyth: 1945, c. 1049, s. 4.

Cross Reference. — See note under § 116-20.

Editor's Note. — The 1947 amendment struck out the words "and if no such claim shall be preferred within ten years after such property or dividend shall be received by it, then the same shall be held by it absolutely" formerly appearing at the end of this section.

Escheat Officer Not Liable.—Funds representing amounts apportioned to claimants of an insolvent bank who failed to

prove their claims, which are turned over to the Secretary of State as escheat officer, are not assets of the liquidated bank, but are to be held by the University, subject solely to the rights of those who failed to prove their claims, and a depositor who proved his claim and received dividends thereon as a common claim may not hold the escheat officer liable for the balance unpaid on his claim upon his contention that the claim should have been paid in full as a preferred claim. *Windley v. Lupton*, 212 N. C. 167, 193 S. E. 213 (1937).

The 1957 amendment inserted in line two the words "except as is otherwise

provided by this chapter," changed "five years" to "three years" and inserted the words "or delivered" in line seven.

§ 116-23.1. **Unclaimed funds held or owing by life insurance companies.**—(a) **Definitions.**—The term "unclaimed funds" as used in this section shall mean and include all monies held and owing by any life insurance company doing business in this State which shall have remained unclaimed and unpaid for seven years or more after such monies became due and payable under any life or endowment insurance policy, or monies payable under annuity contracts or all dividends payable to holders of policies. A life insurance policy not matured by the prior death of the insured shall be deemed to be matured and the proceeds thereof shall be deemed to be "due and payable" within the meaning of this section when the insured shall have attained the limiting age under the mortality table on which the reserve is based. Monies shall be deemed to be "due and payable" within the meaning of this section although the policy shall not have been surrendered nor proofs of death submitted as required and although the claim as to the payee is barred by a statute of limitations.

(1957, c. 1050.)

(b) **Scope.**—This section shall apply to all unclaimed funds, as herein defined, held and owing by any life insurance company doing business in this State where the last known address, according to the records of such company, of the person entitled to such funds is within this State, provided that if a person other than the insured be entitled to such funds and no address of such person be known to such company or if it be not definite and certain from the records of such company what person is entitled to such funds, then in either event it shall be presumed for the purposes of this section that the last known address of the person entitled to such funds is the same as the last known address of the insured according to the records of such company.

(c) Reports.—Every such life insurance company shall on or before the first day of May of each year make a report in writing to the Commissioner of Insurance of all unclaimed funds, as hereinbefore defined, held or owing by it on the thirty-first day of December next preceding. Such report shall be signed and sworn to by an officer of such company and shall set forth (1) in alphabetical order the full name of the insured, his last known address according to the company's records, and the policy number; (2) the amount appearing from the company's records to be due on such policy; (3) the date such unclaimed funds became payable; (4) the name and last known address of each beneficiary or other person who, according to the company's records, may have an interest in such unclaimed funds; and (5) such other identifying information as the Commissioner of Insurance may require.

(d) Notice; Publication.—On or before the first day of September following the making of such reports under this section, the Commissioner of Insurance shall cause to be published notices entitled: "Notice of Certain Unclaimed Funds Held or Owing by Life Insurance Companies." Each such notice shall be published once a week for two successive weeks in a newspaper published in the county of this State in which is located such last known address of each such insured, or other person who, according to the company's records may have an interest in such unclaimed fund, or by posting such notice at the courthouse door of said county.

The notice shall set forth in alphabetical order the names contained in such reports of each insured whose last known address is within the county of publication together with

- (1) The amount reported due and the date it became payable,
- (2) The name and last known address of each beneficiary or other person who, according to the company's records, may have an interest in such unclaimed funds, and
- (3) The name and address of the company.

The notice shall also state that such unclaimed funds will be paid by the company to persons establishing to its satisfaction before the following December 1st their right to receive the same, and that not later than December 1st such unclaimed funds still remaining will be paid to the University of North Carolina which shall thereafter be liable for the payment thereof.

It shall not be obligatory upon the Commissioner of Insurance to publish any item of less than fifty dollars in such notice, unless the Commissioner of Insurance deems such publication to be in the public interest. The expenses of publication shall be charged against the University of North Carolina.

(1961, c. 493.)

Editor's Note.—

The 1961 amendment deleted the words "if no newspapers are published in such county, then" formerly following the word

"or" in line eight of subsection (d). As only this subsection was affected by the amendment the rest of the section is not set out.

(e) Payment to University of North Carolina.—All unclaimed funds contained in the report required to be filed under this section, excepting those which have ceased to be unclaimed funds since the date of such report, shall be paid over to the University of North Carolina on or before the following December 1st.

The Commissioner of Insurance shall have the power, for cause shown, to extend for a period of not more than one year the time within which a life insurance company shall file any report and in such event the time for publication and payment required by this section shall be extended for a like period.

(f) Custody of Unclaimed Funds; Insurers Exonerated.—Upon the payment of such unclaimed funds to the University of North Carolina, the State shall assume, for the benefit of those entitled to receive the same and for the safety of the money so paid, the custody of such unclaimed funds, and the life insurance company making such payment shall immediately and thereafter be relieved of and held harmless by the State from any and all liability for any claim or claims which exist at such time with reference to such unclaimed funds or which thereafter may be made or may come into existence on account of or in respect to any such unclaimed funds.

(g) Reimbursement for Claims Paid by Insurers.—Any life insurance company which has paid to the University of North Carolina monies deemed unclaimed funds pursuant to the provisions of this section may make payment to any person appearing to such company to be entitled thereto, and upon proof of such payment the State of North Carolina shall forthwith reimburse such company to the extent of the full amount, without interest, paid the University of North Carolina for the account of such claimant.

(h) Determination and Review of Claims.—Any person entitled to unclaimed funds paid to the University of North Carolina may file a claim at any time with the Commissioner of Insurance. The Commissioner of Insurance shall possess full and complete authority to accept or reject any such claim. If he rejects such claim or fails to act thereon within ninety days after receipt of such claim, the claimant may make application to the Superior Court of Wake County, upon not less than thirty days' notice to the Commissioner of Insurance, for an order to show cause why he should not accept and order paid such claim.

(i) Payment of Allowed Claims.—Any claim which is accepted by the Commissioner of Insurance or ordered to be paid by a court of competent jurisdiction shall be paid by the University of North Carolina.

(j) Records Required.—The University of North Carolina shall keep a public record of each payment of unclaimed funds received from any life insurance company. Such record shall show in alphabetical order the name and last known address of each insured, and of each beneficiary or other person who, according to the company's records, may have an interest in such unclaimed funds, and with respect to each policy, its number, the name of the company, and the amount due.

(k) Payments to Other States; Pending Litigation.—This section shall not apply to or affect any unclaimed funds (a) which have been paid to another state or jurisdiction prior to March 31, 1949, or (b) which are at such date involved in litigation with reference to the custody, appropriation or escheat of such funds. (1949, c. 682.)

§ 116-24. Certain unclaimed bank deposits to University.—All bank deposits in connection with which no debits or credits have been entered within a period of five years, and where the bank is unable to locate the depositor or owner of such deposit, shall be deemed derelict property and shall be paid to the University of North Carolina and held by it, without liability for profit or interest, until a just claim therefor shall be preferred by the parties entitled thereto. The receipt of the University of North Carolina of any deposit hereunder shall be and constitute a release of the bank delivering over any deposit coming within the provisions of this section from any liability therefor to the depositor or any other person. Upon receipt of such funds, the University of North Carolina shall cause to be posted and keep posted for thirty days at the courthouse door of the county in which such bank is located, a notice giving the names of the persons in whose name or names such deposits were made in said bank, the amount thereof, and the last known address of such person, and the bank paying over said funds to the University of North Carolina shall furnish such information to be used in giving said notice. If any person at any time thereafter shall appear and show that he is the identical person

to whom such funds are due, the University of North Carolina shall pay the same in full to such person, but without any liability for interest or profits thereon. Debits of service charges and debits of intangible taxes made by banks shall not be considered debits within the meaning of this section. A bank shall be deemed to be unable to locate a depositor or owner when the present address of the depositor or owner is unknown to the bank, and United States mail addressed to the depositor or owner at the last known address, with a return address of the sending bank on the envelope, is returned undelivered to the bank mailing the same. (1937, c. 400; 1939, c. 29; 1947, c. 614, s. 3; 1949, c. 1069.)

Cross References.—See note to § 116-20. As to escheat of dividends on unclaimed deposits in insolvent banks, see § 53-20, subsection (12).

Editor's Note.—See 15 N. C. Law Rev. 350.

Prior to the 1939 amendment this section applied only to deposits of five dollars and less.

The 1947 amendment added the third

and fourth sentences. It also struck out the following phrase formerly appearing at the end of the first sentence of the section: "and if no such claim shall be preferred within ten years after such deposit shall be received by it, then the same shall be held by it absolutely."

The 1949 amendment added the last two sentences. For comment on the amendment, see 27 N. C. Law Rev. 427.

§ 116-25. Other escheats.—Unpaid and unclaimed salary, wages or other compensation due to any person or persons from any person, firm, or corporation within the State are hereby declared to be escheats coming within the laws of this State, and the same shall be paid to the University of North Carolina immediately upon the expiration of two years from the end of the calendar year in which the same becomes due, provided, that this paragraph shall not apply to any person, firm or corporation employing less than twenty-five persons.

Rebates and returns of overcharges and unclaimed meter deposits due by utility companies, which have not been paid to or claimed by the persons to whom they are due within a period of two years from the time they are due or from the time any refund was ordered by any court or by the Utilities Commission, shall be paid to the University of North Carolina.

All monies in the hands of clerks of the superior court, the State Treasurer, or any other officer or agency of the State or county, or any other depository whatsoever, as proceeds of the liquidation of State banks by receivers appointed in the superior court prior to the Liquidation Act of one thousand nine hundred twenty-seven, shall be immediately turned over into the custody of the University of North Carolina: Provided, however, that nothing in this section shall be construed to require the said clerk or other officer to turn over funds of minors or other incompetents in his possession, but the custody and control of the same shall be under existing law with reference thereto.

All monies in the hands of the Treasurer of the State, represented by State warrants in favor of any person, firm, or corporation, whatsoever, which have been unclaimed for a period of five years, shall be turned over to the University of North Carolina.

Unpaid and unclaimed dividends or other distributions due to any person or persons from any association organized under subchapter IV or subchapter V of chapter 54 of the General Statutes are hereby declared to be escheats coming within the laws of this State, and the same shall be paid to the University of North Carolina immediately upon the expiration of five years from the time the same became due, provided that this paragraph shall not apply to a cooperative marketing association engaged only in the marketing of a single agricultural product for the producers thereof. This paragraph shall not apply to any stabilization program on any farm commodities when such program is maintained separate for the benefit of the producer thereof.

All monies, claims, or other property coming into the possession of the University of North Carolina under this section shall be deemed derelict property and shall be held by it without liability for profit or interest until a just claim therefor shall be preferred by the parties entitled thereto.

Provided that this section shall not apply to the Agricultural Fund now on hand known as the State Warehouse Fund.

Any funds derived from the liquidation of any national bank organized and operated in this State, which has heretofore or which shall hereafter become insolvent, when such insolvent bank has been fully liquidated by a receiver appointed by the Comptroller of the Currency as provided by Title 12 of United States Code Annotated, sections 191 and 192, or any other federal law, or has been liquidated by any agent appointed as provided by Title 12 of United States Code Annotated, section 197, which shall remain under the control of the Comptroller of the Currency and deposited with the Treasurer of the United States, or deposited elsewhere, as authorized by law, which shall be due any depositor or stockholder of this State, which for a period of ten years after becoming due such depositor or stockholder or available for distribution to any stockholder in the liquidation of such insolvent bank, has not been paid over to such depositor or stockholder, or the legal representative of such depositor or stockholder, due to inability to locate and deliver the same to the person entitled thereto, shall be deemed derelict property and shall be paid over to the University of North Carolina by the Comptroller of the Currency, or by such agent as may have the funds in charge, to be held in protective custody by the University of North Carolina until a just claim shall be made for same by the owner thereof. Upon payment of such funds to the University of North Carolina, the Comptroller of the Currency, or any agent having such funds in charge, shall be relieved of all further liability therefor.

Upon receipt of such funds the University of North Carolina shall cause to be posted, and keep posted for thirty days, at the courthouse door of the county in which such insolvent national bank did business, a notice giving the names of the persons to whom such amounts so paid over were due, the amount thereof and the last known address of such person, and the source from which such funds were received: Provided, the Comptroller of the Currency or liquidating agent of such insolvent national bank shall furnish such information to the University of North Carolina when such funds are so paid over to it. If any person at any time thereafter shall appear and show that he is the identical person to whom any part of such fund, is due, the University of North Carolina shall pay such part in full to such person, but without any liability for interest or profits thereon.

All sums due any person or persons by reason of placing bets on any horse or dog races at any race track in this State where the placing of such bets is legal, and which have remained unclaimed and unpaid for sixty days, are hereby declared to be escheats, and the same shall be paid over to the University of North Carolina, and upon demand by the University of North Carolina information with respect thereto shall be furnished by the operators of any such race tracks. (1939, c. 22; 1947, c. 614, s. 1; 1947, c. 621, s. 2; 1953, c. 1202, ss. 1, 2; 1953, c. 1205; 1957, c. 1051.)

Editor's Note.—

The first 1953 amendment, effective May 1, 1953, substituted "two years from the end of the calendar year in which the same becomes due" for "one year from the time the same became due" near the end of the first paragraph, made the second paragraph applicable to "unclaimed meter deposits", and added the last paragraph. The second 1953 amendment, effective January

1, 1954, inserted the fifth paragraph.

The 1957 amendment deleted from the first paragraph the words "engaged in construction work in North Carolina for services rendered in such construction work" formerly appearing immediately after the word "corporation" in line two. It also added the proviso at the end of the paragraph.

§ 116-26. Application of receipts. All receipts heretofore had or hereafter to be had from escheated property or derelict property, and all interest and earnings thereon, shall be set apart by the trustees of the University so that the interest and earnings from said fund shall be used for maintenance and/or for scholarships and loan funds to worthy and needy students, residents of this State, attending the University of North Carolina, under such rules and regulations as shall be adopted by the board of trustees of the University with regard thereto.

The payment of any funds described in this chapter, or the transfer of any personal property described in this chapter, to the University of North Carolina shall relieve any person, firm, association or corporation, or any State or federal official or agency of further liability therefor. (1874-5, c. 236, s. 2; Code, s. 2630; Rev., s. 4285; C. S., s. 5787; 1947, c. 614, s. 4; 1953, c. 1202, s. 3.)

Editor's Note.—

The 1953 amendment, effective May 1, 1953, added the above paragraph at the end of this section.

. . . .

Note: The following provisions with respect to escheats, found in other chapters of The General Statutes, are reproduced here in the interest of completeness.

Article 3.

Dissolution and Liquidation.

. . . .

§ 53-20. Liquidation of banks.—

. . . .

(1) List of Claims Presented and Deposits; Copies; Proviso.--Upon the expiration of the time fixed for presentation of claims, the Commissioner of Banks, or the duly appointed agent, shall make a full and complete list of the claims presented and of the deposits as shown, including and specifying any claims or deposits which have been rejected by him, and shall file one copy in the office of the clerk of the superior court in the pending action, and shall keep one copy on file with the inventory

in the office of the bank for examination. Any indebtedness against any bank which has been established or recognized as a valid liability of said bank before it went into liquidation, for which no claimant has filed claim, and/or any liability for which claim has been filed and disapproved, shall be listed in the office of the clerk of the superior court of the county in which the bank is located, by the liquidating agent, and the dividends accruing thereto shall be paid into the said office and shall be held for a period of three months after said liquidation is completed, and shall then be paid to the escheator of the University of North Carolina. Any claim which may be presented after the expiration of the time fixed for the presentation of claims in the notice hereinbefore provided shall, if allowed, share pro rata in the distribution only of those assets of the bank in the hands of the Commissioner of Banks, and undistributed at the time the claim is presented: Provided, that when it is made to appear to the judge of the superior court, resident or presiding in the court, that the claim could not have been filed within said period, said judge may permit those creditors or depositors who subsequently file their claim to share as other creditors.

. . . .

Article 9.

Dissolution and Liquidation.

. . . .

§ 55-130. Disposition of amounts due to unavailable shareholders and creditors.—Upon liquidation of a corporation, the portion of the assets distributable to a creditor or shareholder who is unknown or cannot be found, shall be reduced to cash and deposited with the clerk of the superior court of the county of the registered office of the corporation to be held three months for the persons respectively entitled thereto, as and when satisfactory evidence of their right to the same is furnished. After the clerk has held the unclaimed cash for the aforesaid period of three months, he shall pay such assets to the University of North Carolina, to be held without liability for profit or interest until a just claim therefor shall be preferred by the parties entitled thereto. (1947, c. 613; c. 621, s. 1; G.S., s. 55-132; 1955, c. 1371, s. 1.)

. . . .

Article 13.

Carriage of Freight.

. . . .

§ 60-130. Funds from unclaimed freight to be paid to State University.—Such railroad, steamboat, express or other transportation company shall make an entry of the balance of the proceeds of the sale, if any, of each parcel of freight owned by or consigned to the same person, as near as can be ascertained, and at any time within five years thereafter shall refund any surplus so retained to the owner of such freight, his heirs or assigns, on satisfactory proof of such ownership; if no person shall claim the surplus within five years, such surplus shall be paid to the State University. (1871-72, c. 138, s. 50; Code, s. 1987; Rev., s. 2639; C. S., s. 3534.)

. . . .

Part 2. North Carolina State College of Agriculture and Engineering
of the University of North Carolina.

§ 116-27. **Operation of State College at Raleigh.**—The North Carolina State College of Agriculture and Engineering shall from and after March 27, 1931 be conducted and operated as part of the University of North Carolina. It shall be located at Raleigh, North Carolina, and shall be known as the North Carolina State College of Agriculture and Engineering of the University of North Carolina. (1931, c. 202, s. 2.)

§ 116-28. **Object of the College.**—The object of this College shall be to teach the branches of learning relating to agricultural and mechanical arts and such other scientific and classical studies as the board of trustees may elect to have taught, and to promote the liberal and practical education of the industrial classes in the several pursuits and professions of life. (1907, c. 406, s. 3; C. S., s. 5807.)

§ 116-29. **Share in appropriations by Congress.**—The appropriations made or which may hereafter be made by the Congress for the benefit of colleges of agricultural and mechanical arts shall be divided between the white and colored institutions in this State in the ratio of the white population to the colored, as ascertained by the preceding national census. (1907, c. 406, s. 1; C. S., s. 5808.)

§ 116-30. **Board to accept gifts and congressional donations.**—The board of trustees shall use, as in its judgment may be proper, for the purposes of such College and for the benefit of education in agriculture and mechanic arts, as well as in furtherance of the powers and duties now or which may hereafter be conferred upon such board by law, any funds, buildings, lands, laboratories, and other property which may be in its possession. The board of trustees shall have power to accept and receive on the part of the State, property, personal, real or mixed, and any donations from the United States Congress to the several states and territories for the benefit of agricultural experiment stations or the agricultural and mechanical colleges in connection therewith, and shall expend the amount so received in accordance with the acts of the Congress in relation thereto. (1907, c. 406, s. 6; C. S., s. 5816.)

§ 116-31. **Land scrip fund.**—The board of trustees shall own and hold the certificates of indebtedness, amounting to one hundred and twenty-five thousand dollars, issued for the principal of the land scrip fund, and the interest thereon shall be paid to them by the State Treasurer semiannually on the first day of July and January in each year for the purpose of aiding in the support of such College in accordance with the act of the Congress approved July second, one thousand eight hundred and sixty-two, entitled, "An act donating public lands to several states and territories which may provide colleges for the benefit of agriculture and the mechanic arts." (1907, c. 406, s. 8; C. S., s. 5817.)

§ 116-32. **Agricultural experiment station.**—The agricultural experiment and control station shall be connected with the College and controlled by the board of trustees. (1907, c. 406, s. 12; C. S., s. 5825.)

Cross Reference.—As to agricultural experiment station and test farms under auspices of Board of Agriculture, see § 106-15.

§ 116-33. **Land for experimental purposes.**—The State Highway and Public Works Commission and the board of trustees of the University of North Carolina are hereby authorized to enter into an agreement for the benefit and use of the North Carolina State College of Agriculture and Engineering of the University of North Carolina whereby a certain portion of the land located near Method, North Carolina, and in the possession of the State Highway and Public Works Commission may be conveyed to the University for a term of years or in fee simple, to be used by said College for research, experimental or demonstration purposes, and whenever an agreement is entered into, the Governor and Secretary of State are authorized to execute a lease or deed conveying to the University the number of acres of land agreed upon. (1925, c. 198, s. 1.)

§ 116-34. **Joint employment by College and State.**—Whenever it shall be to the advantage of the North Carolina State College of Agriculture and Engineering and any department of the State government to employ jointly any person, the board of trustees and the governing authority of the department, on the approval of the Governor, are hereby authorized to make such employment and to prorate the amount of the salary and other expenses that each shall be required to pay. (1925, c. 198, s. 2.)

§ 116-35. **Co-ordinating committee of College and Department of Agriculture created.**—A co-ordinating committee is hereby created consisting of thirteen members as follows: The president of the board of trustees of the University of North Carolina, who shall be ex officio chairman of said committee, the president of the University, the dean of administration of State College of Agriculture and Engineering, and the dean of agriculture, the Commissioner of Agriculture, the assistant commissioner of agriculture, and the State Chemist or any other officer in the Department of Agriculture which the Commissioner of Agriculture may designate, three members of the board of trustees of the University of North Carolina who have a practical knowledge of agriculture, to be appointed by the president of the said board, and three members of the State Board of Agriculture, to be appointed by the Commissioner of Agriculture, the members so appointed to serve for a term of two years or until their successors are duly appointed. (1939, c. 255, s. 1.)

§ 116-36. **Duties of co-ordinating committee.**—It shall be the duty of the co-ordinating committee herein created to deal with and handle any existing matters of duplication, overlapping or disagreement, and such controversial matters as may arise in the future in the agricultural agencies of the State College of Agriculture and Engineering and the Department of Agriculture. Whenever there is an overlapping or disagreement in consequence of closely allied functions and duties of the said agencies, it shall be the duty of the co-ordination committee to allocate, after due consideration, such duties and functions as may be in disagreement or overlapping, and that are not already allocated by law, to the proper agency as it may deem wise, and to require such co-operation between the employees in the agencies as it may deem necessary. The co-ordinating committee may investigate, on complaint, or on its own initiative, any overlapping, duplication or disagreement and the decision of the said committee shall be binding on all parties. (1939, c. 255, s. 2.)

§ 116-37. **Findings of committee to be binding on Commissioner of Agriculture and president of University.**—The findings and recommendations of the co-ordinating committee shall be binding on the Commissioner of Agriculture and the president of the University of North Carolina and it shall be their duty to see that the findings and recommendations of the committee shall be put into effect in their respective departments. (1939, c. 255, s. 3.)

Part 3. Woman's College of the University of North Carolina.

§ 116-38. **Operation of College for Women at Greensboro.**—The North Carolina College for Women shall from and after March 27, 1931, be conducted and operated as a part of the University of North Carolina. It shall be located at Greensboro, North Carolina, and shall be known as the Woman's College of the University of North Carolina. (1931, c. 202, s. 3; 1943, c. 543.)

Editor's Note. — The 1943 amendment word "Women's" in the next to the last substituted the word "Woman's" for the line.

§ 116-39. **Objects of institution.**—The objects of the Woman's College of the University of North Carolina shall be to teach young white women all branches of knowledge recognized as essential to a liberal education, such as will familiarize them with the world's best thought and achievement and prepare them for intelligent and useful citizenship; to make special provision for training in the science and art of teaching, school management, and school supervision; to provide women with such training in the arts, sciences, and industries as may be conducive to their self-support and community usefulness; to render to the people of the State such aid and encouragement as will tend to the dissemination of knowledge, the fostering of loyalty and patriotism, and the promotion of the general welfare. (1919, c. 199, s. 2; C. S., s. 5835.)

§ 116-40. **Admission of students.**—The board of trustees shall make rules and regulations for the admission of students, but shall not discriminate against any county in the number of students allowed it, in case all applicants cannot be accommodated. Each county shall have representation in proportion to its white school population, if it desires it; and, should any county fail to avail itself of its proportional number, the board of trustees may recognize applicants from counties which already have their proportionate representation. (1891, c. 139, s. 4; Rev., s. 4254; C. S., s. 5836.)

§ 116-41. **Dining halls.**—For the benefit of those who may desire to avail themselves of it dining halls shall be established at which meals shall be furnished at actual cost. (1891, c. 139, s. 12; 1905, c. 502; Rev., s. 4257; 1919, c. 199, s. 4; C. S., s. 5838.)

Part 3A. Revenue Bonds for Service and Auxiliary Facilities.

§ 116-41.1. **Definitions.**—As used in this part:

- (1) "Board" means the board of trustees of the University of North Carolina;
- (2) "Construction" means acquisition, construction, provision, reconstruction, replacement, extension, improvement or betterment, or any combination thereof;
- (3) "Cost", as applied to a project, shall include the cost of construction (as herein defined), the cost of all labor, materials and equipment, the cost of all lands, property, rights and easements acquired, financing charges, interest prior to and during construction and, if deemed advisable by the board, for one year after completion of construction, cost of plans and specifications, surveys and estimates of cost and/or revenues, cost of engineering and legal services, and all other expenses necessary or incident to such construction, administrative expense and such other expenses, including reasonable provisions for initial operating expenses necessary or incident to the financing herein authorized, and any expense incurred by the board in the issuance of bonds under the provisions of this part in connection with any of the foregoing items of cost;
- (4) "Project" means any undertaking under this part to acquire, construct or provide at the University of North Carolina in Chapel Hill, North Carolina, service and auxiliary facilities necessary or desirable for the students or staff or in the operation of the University, either as additions, extensions, improvements or betterments to the University Enterprises or otherwise, including one or more or any combination of any system, facility, plant, works, instrumentality or other property used or useful:
 - a. In obtaining, conserving, treating or distributing water for domestic, industrial, sanitation, fire protection or any other public or private use;
 - b. For the collection, treatment, purification or disposal of sewage, refuse or wastes;
 - c. For the production, generation, transmission or distribution of gas, electricity or heat;
 - d. In providing communication facilities including telephone facilities;
 - e. In providing storage, service, repair and duplicating facilities;
 - f. In improving, extending or adding to the University Enterprises as herein defined; and
 - g. In providing other service and auxiliary facilities serving the needs of the students, the staff or the physical plant of the University; and including all plants, works, appurtenances, machinery, equipment and properties, both personal and real, used or useful in connection therewith;
- (5) "Revenue bonds" or "bonds" means bonds of the University issued by the board to pay the cost, in whole or in part, of any project pursuant to this part and the bond resolution or resolutions of the board; provided, however, that bonds, issued as a separate series which are stated to mature not later than five years from their date may be designated "revenue notes" or "notes";
- (6) "Revenues" means the income and receipts derived by or for the account of the University through the charging and collection of service charges;

- (7) "Service charges" means rates, fees, rentals or other charges for, or for the right to, the use, occupancy, services or commodities of or furnished by any project, or by any other service or auxiliary facility of the University, including the University Enterprises, any part of the income of which is pledged to the payment of the bonds or the interest thereon;
- (8) "University" means the body politic and corporate known and distinguished by the corporate name of the "University of North Carolina" under § 116-3 of the General Statutes;
- (9) "University Enterprises" means the following existing facilities, systems, properties, plants, works and instrumentalities located in or near the city of Chapel Hill, North Carolina presently in the jurisdiction of and operated by the University: The telephone, electric, heating and water systems, the laundry, Carolina Inn, service and repair shops and storerooms, the duplicating shop, and rental housing properties for faculty members. (1961, c. 1078, s. 1.)

Cross Reference.—As to revenue bonds for student housing, see §§ 116-175 to 116-185.

§ 116-41.2. Powers of board of trustees generally. — In addition to the powers which the board now has, the board shall have the following powers subject to the provisions of this part and subject to agreements with the holders of any revenue bonds issued hereunder:

- (1) To acquire by gift, purchase or the exercise of the power of eminent domain or to construct, provide, improve, maintain and operate any project or projects;
- (2) To borrow money for the construction of any project or projects, and to issue revenue bonds therefor in the name of the University;
- (3) To establish, maintain, revise, charge and collect such service charges (free of any control or regulation by any State regulatory body) as will produce sufficient revenues to pay the principal of and interest on the bonds and otherwise to meet the requirements of the resolution or resolutions of the board authorizing the issuance of the revenue bonds;
- (4) To pledge to the payment of any bonds of the University issued hereunder and the interest thereon the revenues of the project financed in whole or in part with the proceeds of such bonds, and to pledge to the payment of such bonds and interest any other revenues, subject to any prior pledge or encumbrance thereof;
- (5) To appropriate, apply, or expend in payment of the cost of the project the proceeds of the revenue bonds issued for the project;
- (6) To sell, furnish, distribute, rent, or permit, as the case may be, the use, occupancy, services, facilities and commodities of or furnished by any project or any system, facility, plant, works, instrumentalities or properties whose revenues are pledged in whole or in part for the payment of the bonds, and to sell, exchange, transfer, assign or otherwise dispose of any project or any of the University Enterprises or any other service or auxiliary facility or any part of any thereof or interest therein determined by resolution of the board not to be required for any public purpose by the board;
- (7) To retain and employ consultants and other persons on a contract basis for rendering professional, technical or financial assistance and advice in undertaking and carrying out any project and in operating, repairing or maintaining any project or any system, facility, plant, works, instrumentalities or properties whose revenues are pledged in whole or in part for the payment of the bonds; and

- (8) To enter into and carry out contracts with the United States of America or this State or any municipality, county or other public corporation and to lease property to or from any person, firm or corporation, private or public, in connection with exercising the powers vested under this part. (1961, c. 1078, s. 2.)

§ 116-41.3. University authorized to pay service charges; payments deemed revenues.—The University is hereby authorized to pay service charges for, or for the right to, the use, occupancy, services or commodities of or furnished by any project or by any other service or auxiliary facility of the University, including the University Enterprises, and the income and receipts derived from such service charges paid by the University shall be deemed to be revenues under the provisions of this part and shall be applied and accounted for in the same manner as other revenues. (1961, c. 1078, s. 3.)

§ 116-41.4. Bonds authorized; amount limited; form, execution and sale; terms and conditions; use of proceeds; additional bonds; interim receipts or temporary bonds; replacement of lost, etc., bonds; approval or consent for issuance; bonds not debt of State.—The board is hereby authorized to issue, subject to the approval of the Advisory Budget Commission, at one time or from time to time, revenue bonds of the University for the purpose of undertaking and carrying out any project or projects hereunder; provided, however, that the aggregate principal amount of revenue bonds which the board is authorized to issue under this section during the biennium ending June 30, 1963, shall not exceed two million five hundred thousand dollars (\$2,500,000). The bonds shall be dated, shall mature at such time or times not exceeding thirty years from their date or dates, and shall bear interest at such rate or rates not exceeding six per centum (6%) per annum, as may be determined by the board, and may be made redeemable before maturity at the option of the board at such price or prices and under such terms and conditions as may be fixed by the board prior to the issuance of the bonds. The board shall determine the form and manner of execution of the bonds, and any interest coupons to be attached thereto, and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest, which may be at any bank or trust company within or without the State. In case any officer whose signature or a facsimile of whose signature appears on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. Notwithstanding any of the other provisions of this part or any recitals in any bonds issued under the provisions of this part, all such bonds shall be deemed to be negotiable instruments under the laws of this State. The bonds may be issued in coupon or registered form or both, as the board may determine, and provision may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest, and for the reconversion into coupon bonds of any bonds registered as to both principal and interest. The board may sell such bonds in such manner, at public or private sale, and for such price, as it may determine to be for the best interests of the University, but no sale shall be made at a price so low as to require the payment of interest on the money received therefor at more than six per centum (6%) per annum, computed with relation to the absolute maturity or maturities of the bonds in accordance with standard tables of bond values, excluding, however, from such computation the amount of any premium to be paid on redemption of any bonds prior to maturity.

The proceeds of the bonds of each issue shall be used solely for the purpose for which such bonds shall have been authorized and shall be disbursed in such manner and under such restrictions, if any, as the board may provide in the resolution authorizing the issuance of such bonds. Unless otherwise provided in the authorizing resolution, if the proceeds of such bonds, by error of estimates or otherwise, shall be less than such cost, additional bonds may in like manner be issued to provide the amount of such deficit and shall be deemed to be of the same issue and shall be entitled to payment from the same fund without preference or priority of the bonds first issued for the same purpose.

The resolution providing for the issuance of revenue bonds may also contain such limitations upon the issuance of additional revenue bonds as the board may deem proper, and such additional bonds shall be issued under such restrictions and limitations as may be prescribed by such resolution.

Prior to the preparation of definitive bonds, the board may, under like restrictions, issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds shall have been executed and are available for delivery. The board may also provide for the replacement of any bonds which shall become mutilated or be destroyed or lost.

Bonds may be issued by the board under the provisions of this part, subject to the approval of the Advisory Budget Commission, but without obtaining the consent of any other commission, board, bureau or agency of the State, and without any other proceedings or the happening of any other conditions or things than those consents, proceedings, conditions or things which are specifically required by this part.

Revenue bonds issued under the provisions of this part shall not be deemed to constitute a debt of the State of North Carolina or a pledge of the faith and credit of the State, but such bonds shall be payable solely from the funds herein provided therefor and a statement to that effect shall be recited on the face of the bonds. (1961, c. 1078, s. 4.)

§ 116-41.5. Contents of resolution authorizing issuance; powers liberally construed; deposit and use of revenues; rights and remedies of bondholders; service charges; insurance of projects; depositories.—The board in the resolution authorizing the issuance of bonds under this part may provide for a pledge to the payment of such revenue bonds and the interest thereon of the revenue derived from the project and also for a pledge of the revenues derived from any system, facility, plant, works, instrumentalities or properties improved, bettered, or extended by the project or otherwise within the jurisdiction of or operated by the University in connection with the University of North Carolina at Chapel Hill, North Carolina, the revenues derived from any future improvements, betterments or extensions of the project, the revenues derived from the University Enterprises, or any part thereof, or the revenues from the project and any or all of the revenues mentioned in this sentence, without regard to whether the operations involved are deemed governmental or proprietary, it being the purpose hereof to vest in the board broad powers which shall be liberally construed. So long as any revenues of the University mentioned in this paragraph are pledged for the payment of the principal of or interest on any bonds issued hereunder, such revenues shall be deposited in a special fund and shall be applied and used only as provided in the resolution authorizing such bonds, subject, however, to any prior pledge or encumbrance thereof.

The resolution authorizing the issuance of the bonds may contain provisions for protecting and enforcing the rights and remedies of the holders of the bonds, including covenants setting forth the duties of the University in relation to the construction of any project to be financed with the proceeds of said bonds, and to the maintenance, repair, operation and insurance of such project or any other project, systems, facilities, plants, works, instrumentalities, properties, the University Enterprises or any part thereof, if the revenues thereof are in any way pledged as security for the bonds; the fixing and revising of service charges and

the collection thereof; and the custody, safeguarding and application of all moneys of the University pertaining to the project and the bonds, and all revenues pledged therefor. Notwithstanding the provisions of any other law, the board may carry insurance on any such project in such amounts and covering such risks as it may deem advisable. It shall be lawful for any bank or trust company incorporated under the laws of the State of North Carolina which may act as depository of the proceeds of bonds or of revenues to furnish such indemnifying bonds or to pledge such securities as may be required by the board. Such resolution may set forth the rights and remedies of the bondholders and may restrict the individual right of action by bondholders. Such resolution may contain such other provisions in addition to the foregoing as the board may deem reasonable and proper for the security of the bondholders.

The board may provide for the payment of the proceeds of the bonds and any revenues pledged therefor to such officer, board or depository as it may designate for the custody thereof, and for the method of disbursement thereof, with such safeguards and restrictions as it may determine. All expenses incurred in carrying out the provisions of such resolutions may be treated as a part of the cost of operation. (1961, c. 1078, s. 5.)

§ 116-41.6. Pledge of revenues; lien.—All pledges of revenues under the provisions of this part shall be valid and binding from the time such pledges are made. All such revenues so pledged shall immediately upon receipt thereof be subject to the lien of such pledge without any physical delivery thereof or further action, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the University, irrespective of whether such parties have notice thereof. (1961, c. 1078, s. 6.)

§ 116-41.7. Proceeds of bonds, revenues, etc., deemed trust funds.—The proceeds of all bonds issued and all revenues and other moneys received pursuant to the authority of this part shall be deemed to be trust funds, to be held and applied solely as provided in this part. The resolution authorizing the issuance of bonds shall provide that any officer to whom, or bank, trust company or fiscal agent to which, such moneys shall be paid shall act as trustee of such moneys and shall hold and apply the same for the purposes hereof, subject to such regulations as such resolution may provide. (1961, c. 1078, s. 7.)

§ 116-41.8. Rights and remedies of bondholders. — Any holder of revenue bonds issued under the provisions of this part or of any of the coupons appertaining thereto, except to the extent that the rights herein given may be restricted by the resolution authorizing the issuance of such bonds, may, either at law or in equity, by suit, action, mandamus or other proceeding, protect and enforce any and all rights under the laws of the State of North Carolina, including this part, or under such resolution, and may enforce and compel the performance of all duties required by this part or by such resolution to be performed by the University or by any officer thereof or the board, including the fixing, charging and collecting of service charges. (1961, c. 1078, s. 8.)

§ 116-41.9. Refunding revenue bonds.—The University is hereby authorized, subject to the approval of the Advisory Budget Commission, to issue from time to time refunding revenue bonds for the purpose of refunding any revenue bonds issued by the University under this part in connection with any project or projects, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such bonds. The University is further authorized, subject to the approval of the Advisory Budget Commission, to issue from time to time refunding revenue bonds for the combined purpose of

- (1) Refunding any revenue bonds or refunding revenue bonds issued by the University in connection with any project or projects including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such bonds, and

(2) Paying all or any part of the cost of any project or projects.

The issuance of such refunding revenue bonds, the maturities and other details thereof, the rights and remedies of the holders thereof, and the rights, powers, privileges, duties and obligations of the University with respect to the same, shall be governed by the foregoing provisions of this part insofar as the same may be applicable. (1961, c. 1078, s. 9.)

§ 116-41.10. Exemption from taxation.—The bonds issued under the provisions of this part and the income therefrom shall at all times be free from taxation within the State. (1961, c. 1078, s. 10.)

§ 116-41.11. Executive committee may be authorized to exercise powers and functions of board.—The board by resolution may authorize its executive committee to exercise or perform any of the powers or functions vested in the board under this part. (1961, c. 1078, s. 11.)

§ 116-41.12. Part provides supplemental and additional powers; compliance with other laws not required.—This part shall be deemed to provide an additional and alternative method for the doing of the things authorized hereby and shall be regarded as supplemental and additional to powers conferred by other laws, and shall not be regarded as in derogation of or as repealing any powers now existing under any other law, either general, special or local; provided, however, that the issuance of revenue bonds or refunding revenue bonds under the provisions of this part need not comply with the requirements of any other law applicable to the issuance of bonds and provided, further, that all general, special or local laws, or parts thereof, inconsistent herewith are hereby declared to be inapplicable to the provisions of this part. (1961, c. 1078, s. 12.)

Part 4. Miscellaneous Provisions.

§ 116-42. License for operating billiard tables, etc., to be approved by president of University.—No person, firm or corporation shall apply for or receive from the governing body, or the representative of such governing body, of any county or incorporated city or town, any license or authorization to set up, maintain or keep in Chapel Hill, or within five miles thereof, any public billiard table or other public table of any kind, by whatever name called, at which games of chance or skill may be played, without first obtaining written permission therefor from the president of the University of North Carolina. Nor shall any person, firm or corporation apply for or receive a license from any such governing body, or the representative thereof, to keep, maintain or operate within the town of Chapel Hill or within five miles of the boundaries thereof, any house, place or establishment wherein ten pin alleys, bowling alleys, or other games of chance or skill shall be operated or conducted without first obtaining written permission therefor from the president of the University of North Carolina. (1794, c. 429, P. R.; R. S., c. 116, s. 4; R. C., c. 113, s. 5; Code, s. 2644; Rev., s. 4278; C. S., s. 5802; 1931, c. 41.)

Editor's Note. — The 1931 amendment repealed the former prohibitory section and inserted the above in lieu thereof.

§ 116-43. License for exhibiting any form of amusements and entertainments to be approved by president of University.—No person, firm or corporation shall apply for or obtain from the governing body, or the representative of such governing body, of any county or incorporated city or town any license or permit to exhibit within the town of Chapel Hill or within five miles thereof any theatrical, sleight of hand, equestrian performance, or any dramatic recitation, or any rope or wire dancing, natural or artificial curiosities, or any concert, serenade or performance in music, singing or dancing, without first securing a written permission for said performance from the president of the University of North Carolina. A copy of the president's permission shall be filed with the governing body, or the representative of such governing body, of any county or incorporated city or town at the time said license or permit is applied for in all cases covered by this section. (1824, c. 1252, P. R.; R. S., c. 116, s. 3; R. C., c. 113, s. 6; Code, s. 2645; Rev., s. 4279; C. S., s. 5803; 1931, c. 41; 1953, c. 675, s. 13.)

Editor's Note.—

The 1953 amendment substituted "of" line three. It also substituted "of" at the end of line ten for the word "or".
for "or" before the words "any county" in

§ 116-44. Violation of two preceding sections; misdemeanor; jurisdiction; participant must testify.—Any person violating §§ 116-42 or 116-43 shall be guilty of a misdemeanor, and fined not less than ten dollars nor more than fifty dollars, or be imprisoned not less than ten days nor more than thirty days; and if the offender is not brought to trial before some justice of the peace within twelve months after the commission of the offense, the superior court in term for the county in which the offense was committed may take jurisdiction of the same and punish the offender at the discretion of the court. No person shall be excused or incapacitated from testifying touching the violation of any of the two next preceding sections by reason of his having been a participant in the offenses; but the testimony of such person shall not be used against him in any criminal prosecution on account of such participation. (R. C., c. 113, s. 7; 1879, c. 232, s. 3; Code, s. 2646; Rev., s. 4280; C. S., s. 5804.)

§ 116-44.1. Motor vehicle laws applicable to streets, alleys and driveways on campuses of the University of North Carolina; University trustees authorized to adopt traffic regulations.—(a) All the provisions of chapter 20 of the General Statutes relating to the use of the highways of the State and the operation of motor vehicles thereon are hereby made applicable to the streets, alleys and driveways on the campuses of the University of North Carolina. Any person violating any of the provisions of said chapter in or on such streets, alleys or driveways shall, upon conviction thereof, be punished as therein prescribed. Nothing herein contained shall be construed as in any way interfering with the ownership and control of such streets, alleys and driveways on the campuses of the University of North Carolina as is now vested by law in the trustees of the University of North Carolina.

(b) The board of trustees of the University of North Carolina is authorized to make such additional rules and regulations and adopt such additional ordinances with respect to the use of the streets, alleys, driveways, and to the establishment of parking areas on such campuses not inconsistent with the provisions of chapter 20, General Statutes of North Carolina, as in its opinion may be necessary. All regulations and ordinances adopted pursuant to the authority of this subsection shall be recorded in the proceedings of the board and printed, and copies of such regulations and ordinances shall be filed in the office of the Secretary of State of North Carolina. Any person violating any such regulations or ordinances shall, upon conviction thereof, be guilty of a misdemeanor, and shall be punishable by a fine of not exceeding fifty dollars (\$50.00) or imprisonment for not exceeding 30 days.

(c) The board of trustees of the University of North Carolina shall cause to be posted at appropriate places on the campuses of the University notice to the public of applicable speed limits and parking laws and ordinances. (1947, c. 1070.)

Article 13.

Medical Care Commission and Program of Hospital Care.

§ 131-122. Expansion of medical school of the University of North Carolina.—In order to carry forward the State-wide plan of hospital and medical care, the board of trustees of the University of North Carolina, by and with the approval of the Governor and the North Carolina Medical Care Commission is hereby authorized and empowered to expand the two-year medical school of the University of North Carolina into a standard four-year medical school. The North Carolina Medical Care Commission is authorized and directed to make a complete survey of all factors involved in determining the location of the expanded medical school, giving especial attention to the advantages and disadvantages of locating said school in one of the large cities of the State, and shall render a report of their findings to the Governor and board of trustees of the University of North Carolina: Provided that no action shall be taken under this provision of this section, other than the work of the Commission, until a survey has been made and a report submitted to the Governor and Medical Care Commission by the Rockefeller Foundation or some other accredited agency with experience in the field of surveying large areas in connection with medical education and medical care. The report of such agency is to be submitted to the Governor and the Medical Care Commission in a reasonable time in advance of the report of the Governor and the Commission to the board of trustees. (1945, c. 1096.)

. . . .

III. STATE COLLEGES

ARTICLE 2.

Western Carolina College, East Carolina College, Appalachian State Teachers College, Pembroke State College, Agricultural and Technical College of North Carolina, North Carolina College of Durham, Elizabeth City State Teachers College, Fayetteville State Teachers College, Winston-Salem Teachers College.

§ 116-45. **Primary purpose of named institutions.**—The primary purpose of the several institutions hereinafter named shall be as follows:

- (1) The primary purpose of Western Carolina College, East Carolina College, and Appalachian State Teachers College shall be the preparation of young men and women as teachers, supervisors, and administrators for the public schools of North Carolina, including the preparation of such persons for the master's degree. Said institutions may also offer undergraduate instruction in the liberal arts and sciences, and such other programs as are deemed necessary to meet the needs of its constituency and of the State and as shall be approved by the North Carolina Board of Higher Education, consistent with appropriations made therefor.
- (2) The primary purpose of Pembroke State College shall be the undergraduate education of the Lumbee Indians and other persons who may be admitted under uniform regulations of the board of trustees. The educational program of the institution shall be subject to the approval of the North Carolina Board of Higher Education, consistent with the appropriations made therefor.
- (3) The primary purpose of North Carolina College at Durham shall be undergraduate instruction in the liberal arts and sciences, the training of teachers, supervisors, and administrators for the public schools of the State, and such graduate and professional instruction as shall be approved by the North Carolina Board of Higher Education, consistent with the appropriations made therefor.
- (4) The primary purpose of the Agricultural and Technical College of North Carolina shall be to teach the agricultural and technical arts and sciences and such branches of learning as relate thereto; the training of teachers, supervisors, and administrators for the public schools of the State, including the preparation of such teachers, supervisors and administrators for the master's degree. Such other programs of a professional or occupational nature may be offered as shall be approved by the North Carolina Board of Higher Education, consistent with the appropriations made therefor.
- (5) The primary purpose of Elizabeth City State Teachers College, Fayetteville State Teachers College, and Winston-Salem Teachers College shall be the undergraduate preparation of young men and women for teaching in the public schools of the State. Such other programs may be offered as shall be approved by the North Carolina Board of Higher Education, consistent with the appropriations made therefor. (1957, c. 1142.)

Editor's Note.—Session Laws 1957, c. 1142 repealed former articles 2 through 9, containing §§ 116-45 through 116-104, and substituted this new article 2 in lieu thereof. Section 2 of said chapter provides: "Nothing herein contained shall be

taken as repealing or altering any section of G. S. 116-154 through G. S. 116-167; and in the event of any conflict between the provisions of this act and G. S. 116-154 through G. S. 116-167, inclusive, the latter shall control."

§ 116-46. Provisions common to all named institutions.—The following provisions shall be common to all the institutions hereinbefore named:

- (1) Members of Board of Trustees; Number, Terms and Appointment.
 - a. The board of trustees of the institution shall consist of twelve persons appointed for terms of eight years each, beginning July 1 of an odd-numbered year, the terms to be staggered so that three vacancies occur every two years.
 - b. Members of the present board of trustees of each of said institutions shall serve out their respective terms and until the next succeeding July 1. At the expiration of their present terms, as thus extended, new appointments to the board of trustees of each of said institutions shall be made so as to provide a board of trustees of twelve members appointed for terms of eight years each, the terms to be staggered so that three vacancies shall occur every two years.
 - c. In the case of the Agricultural and Technical College of North Carolina, which has at present more than twelve trustees, vacancies as they occur shall not be filled until the board of trustees shall be reduced to the required number of twelve members as herein provided.
 - d. The Governor shall make all appointments to each of said boards of trustees, subject to the confirmation of the General Assembly in joint session assembled.
- (2) Removal of Trustees; When Position Deemed Vacant.
 - a. Members of each board of trustees shall be subject to removal for cause by the Governor and Council of State.
 - b. Whenever a trustee shall fail to be present for two successive regular meetings of the board of trustees, without just cause as determined by the board, his position as trustee shall be deemed vacant, and said vacancy shall be filled as herein provided.
- (3) Meetings of Board.—It shall be the duty of each of said boards of trustees to hold not less than two regular meetings a year as fixed by the trustees, at which the board shall consider recommendations of the president of the institution, and transact such other business as may properly come before it. The board of trustees may also hold special meetings from time to time upon the call of the chairman of the board.
- (4) Election of Chairman and Vice-Chairman; Committees of Board; Quorum; Majority Vote.—At the first meeting after June 30 of each year, the board of trustees shall elect one of their own members as chairman and one as vice-chairman, and designate such committees of the board, and endow them with such powers, as may be deemed proper and wise for the management of the affairs of the institution. The chairman shall appoint the committees so designated. A quorum of the board of trustees for the transaction of business shall consist of a majority of the members of the board. All actions of the board of trustees shall be taken by a majority vote, a quorum being present.
- (5) Board a Body Corporate and Agency of State; Title to Property; Management of Institution.
 - a. The board of trustees of each of said institutions is hereby constituted a body corporate and an agency of the State of North Carolina under the name and style of "The Board of Trustees of" (in which shall be inserted the name of the institution) and by that name may sue and be sued, make contracts, acquire real and personal property by gift, purchase, or devise, and exercise such other rights and privileges as are ordinarily exercised by corporations of like character and as are necessary for the proper administration of the affairs of said institution.

- b. The board of trustees of each of said institutions and its successors in office shall hold in trust for the State of North Carolina title to all property now held, or which shall be later acquired by said board.
- c. The board of trustees of each of said institutions shall be responsible for the management of all the affairs of the institution, subject to the applicable laws of the State of North Carolina, and shall have the duty to provide for the handling and expenditure of all moneys whatsoever belonging to, appropriated to, or in any way acquired by the institution; it shall provide for the erection of all buildings, the making of all needed improvements, the maintenance of the physical plant of said institution, and may do all things deemed useful and wise for the good of the institution. Institutions operating electric power plants and distribution systems as of June 6, 1957 are authorized to continue such operation and, after furnishing light and power to the institution, to sell any excess current to the people of the community at a rate or rates approved by the Utilities Commission. Any net profits derived from the operation of such power plants and distribution systems shall be paid into the endowment fund of the institution authorized under G. S. 116-46 (7).
- d. It shall be the duty of each of said boards of trustees to elect a president of the institution and to fix his salary within the schedule provided by law, and to fix his tenure of office. Upon the recommendation of the president, it shall be the duty of the board of trustees to elect other officers, teachers, and employees, to fix their duties, tenure of office, and within the schedule provided by law, their salaries. The board of trustees shall also establish bylaws for the management of the institution's affairs, and rules and regulations for the general management of the institution, and the discipline of the students.
- e. The board of trustees of each of said institutions, upon the recommendation of the faculty, is hereby authorized and empowered to confer or cause to be conferred such degrees as are usually conferred by similar institutions, subject to the authority of the North Carolina Board of Higher Education to determine and approve the kinds of degrees to be conferred by the institution.
- f. Each of said institutions now operating a campus laboratory or demonstration school may continue to do so under the now existing plan of operation, consistent with the appropriations made therefor.

(6) Duties of President of Institution.

- a. It shall be the duty of the president of each of said institutions to attend all meetings of the board of trustees, to be responsible for the keeping of a full and complete record of such meetings, and to act as custodian of all records, deeds, contracts, and the like. It shall be the duty of the president to keep the board of trustees fully informed of the operations of the institution and its needs.
- b. Whenever the term of office of any member of the board of trustees of such institutions is about to expire, or should a vacancy occur for any cause, the president, with the approval of the chairman of the board of trustees, shall immediately notify the Governor, to the end that he may make an appointment to fill such vacancy.

- c. The president shall be the administrative and executive head of the institution, and shall not be a member of the board of trustees. He shall prepare annually for the board of trustees a detailed report of the operations of the institution for the preceding year and cause one copy thereof to be filed with the official records of the board of trustees and one copy to be filed with the North Carolina Board of Higher Education.
- d. The president of the institution shall recommend courses of study, subject to the approval of the board of trustees, and further subject to the authority of the North Carolina Board of Higher Education to determine the major functions and activities of State supported institutions of higher education.

(7) Endowment Fund.

- a. Each of said boards of trustees is hereby authorized to establish a permanent endowment fund.
- b. Such board of trustees shall appoint an investment committee, to be known as "The Board of Trustees of the Endowment Fund of the College," (in which shall be inserted the name of the institution) which board of trustees of the endowment fund is hereby created as an agency of the board of trustees of the college to do the specific things hereinafter enumerated. The board of trustees of the endowment fund shall consist of five members, including the chairman of the board of trustees, the president of the college, and three other persons, not necessarily members of the board of trustees of the college, to be chosen by the board of trustees of said college.
- c. The chairman of the board of trustees of the college shall be the chairman of the board of trustees of the endowment fund.
- d. The trustees of said endowment fund may receive gifts, donations, and bequests, may in their discretion retain such in the form in which they are made, and may use the same as a permanent endowment fund. Said trustees may retain in such permanent endowment fund any other moneys or securities of any kind that may come to them from the board of trustees of the college or that may come to the trustees of the endowment fund, excepting always the moneys received from State appropriations, and from tuition, fees, and the like, collected from students and used for the general operation of the college. The trustees of the endowment fund shall have power to sell any property, real or personal, of the fund, at either public or private sale.
- e. The trustees of the endowment fund shall be responsible for the prudent investment of the fund, in the exercise of their sound discretion, without regard to any statute or rule of law relating to the investment of funds by fiduciaries.
- f. The principal of said endowment fund shall be kept intact and only the income therefrom may be expended. The trustees of the endowment fund shall determine what is income and what is principal.
- g. It is not the intent that the income from such endowment fund shall take the place of State appropriations or any part thereof but that it shall supplement the State appropriations to the end that the institution may improve and increase its functions, may enlarge its areas of service and may become more useful to a greater number of people. All expenditures of moneys from the endowment fund shall in all cases be approved by the board of trustees of the institution and expended under the

board's direction. Funds from the endowment fund shall not be expended for a purpose which will impose a financial burden on the State of North Carolina without first securing the approval of the North Carolina Board of Higher Education and the Advisory Budget Commission.

- h. The board of trustees of the institution shall establish standards for such scholarships as may be awarded from proceeds of said endowment fund and may change or alter such standards from time to time.
- i. Nothing in this section shall be construed to prevent the trustees of the endowment fund from receiving gifts, donations and bequests and from using the same for such lawful purposes as the donor or donors designate, subject always to the approval of the board of trustees of the institution, and subject, further, to the approval of the North Carolina Board of Higher Education and the Advisory Budget Commission if the expenditure of funds would impose a financial burden on the State of North Carolina. (1957, c. 1142.)

§ 116-46.1. Motor vehicle laws applicable to streets, alleys and driveways on campus of Appalachian State Teachers College; college trustees authorized to adopt traffic regulations.—(a) All the provisions of chapter 20 of the General Statutes relating to the use of the highways of the State and the operation of motor vehicles thereon are hereby made applicable to the streets, alleys and driveways on the campus of the Appalachian State Teachers College. Any person violating any of the provisions of said chapter in or on such streets, alleys or driveways shall, upon conviction thereof, be punished as therein prescribed. Nothing herein contained shall be construed as in any way interfering with the ownership and control of such streets, alleys and driveways on the campus of Appalachian State Teachers College as is now vested by law in the trustees of Appalachian State Teachers College or town of Boone.

(b) The board of trustees of Appalachian State Teachers College is authorized to make such additional rules and regulations and adopt such additional ordinances with respect to the use of the streets, alleys, driveways, and to the establishment of parking areas on such campus not inconsistent with the provisions of chapter 20, General Statutes of North Carolina, and the ordinances of the town of Boone, as in its opinion may be necessary. All regulations and ordinances adopted pursuant to the authority of this subsection shall be recorded in the proceedings of the board and printed, and copies of such regulations and ordinances shall be filed in the office of the Secretary of State of North Carolina. Any person violating any such regulations or ordinances shall, upon conviction thereof, be guilty of a misdemeanor, and shall be punishable by a fine of not exceeding fifty dollars (\$50.00) or imprisonment for not exceeding 30 days.

(c) The board of trustees of Appalachian State Teachers College shall cause to be posted at appropriate places on the campus of Appalachian State Teachers College notice to the public of applicable speed limits and parking laws and ordinances. (1961, c. 563.)

IV. COMMUNITY COLLEGES

ARTICLE 3.

Community Colleges.

§ 116-47. **Short title.**—This article shall be known as “The Community College Act”. (1957, c. 1098, s. 1.)

§ 116-48. **Purpose.**—The purpose of this article is to provide a plan of organization and operation for community colleges, to serve as a legislative charter for such colleges, and to authorize the levy of taxes and issuance locally of bonds for the support thereof. (1957, c. 1098, s. 2.)

§ 116-49. **Definitions.**—As used herein:

- (1) The term “community college” is defined to be an educational institution
 - a. Dedicated primarily to the particular needs of a community or an area,
 - b. Offering the freshman and sophomore courses of a college of arts and sciences and/or the first or first and second year courses of a two-year technical institute of college grade, and
 - c. Organized and operating under the provisions of this article.

In addition to the courses above referred to, such college may also offer a variety of occupational, vocational, avocational and recreational training programs. Such college may consist of one or more units operating within the boundaries of one county.

- (2) The term “Board of Higher Education” refers to the North Carolina Board of Higher Education. (1957, c. 1098, s. 3.)

§ 116-50. **Boards of trustees to govern colleges; composition; appointment, terms and qualifications of members; vacancies; election of officers.**—(a) Each community college shall be governed by a board of trustees consisting of twelve (12) members, appointed as follows:

Two (2) members by the governing board of the municipality in which the community college is located; provided, that, if the college is not located within the corporate limits of a municipality, then such appointment shall be by the governing board of the largest municipality, according to population, in the county in which the college is located.

Two (2) members by the board of commissioners of the county in which the community college is located.

Two (2) members by the board of education of the administrative school unit of the municipality in which, or partially in which, the community college is located; provided, that if the college is not located within the corporate limits of a municipality, then such appointment shall be by the board of education of the administrative school unit of the largest municipality, according to population, in the county in which the college is located, if there be such an administrative unit.

Two (2) members by the board of education of the county in which the community college is located; provided, however, that it shall appoint four (4) members if there is but one board of education for the county in which the college is located.

Four (4) members by the Governor of North Carolina. Trustees appointed by the governing board of a city or by a city board of education shall be residents of such municipality. Those appointed by a board of county commissioners, or by a county board of education shall be residents of the county (including the municipality) in which the college is located. Those appointed by the Governor shall be residents of the county (including the municipality) in which the college is located, or of a county contiguous thereto.

(b) Trustees shall be appointed for terms of six (6) years, except that of the first board of trustees of each college appointed pursuant to this article, each of the four (4) members appointed by the city and/or county boards of education shall be appointed for a six (6) year term, each of the four (4) members appointed by the governing board of the municipality and/or the board of commissioners of the county shall be appointed for a four (4) year term, and each of the four (4) members appointed by the Governor shall be appointed for a two (2) year term, plus such additional months as to each appointee as shall be necessary in order for their respective terms to expire on June 30th. After the first appointment of the first board of trustees of each college under this article, all terms of all trustees shall commence on July 1. The authority appointing a particular member shall, in the event a vacancy occurs through the loss of such member as a trustee, appoint a member to fill the vacancy for the unexpired term.

(c) The trustees shall elect annually from among their number a chairman and a vice-chairman. They shall also elect a secretary and a treasurer who may, but need not be, trustees. One person may be elected to serve as both secretary and treasurer. The officers so elected shall each serve for one year or until their successors in office shall be duly elected. The meeting for the election of such officers shall be held not earlier than July 1 and not later than September 1 of each year. (1957, c. 1098, s. 4.)

§ 116-51. Official title of board of trustees; name of college; powers generally.—The board of trustees of each community college shall be known as “The Trustees of” filling in the name of the college; and such designation (“The Trustees of”) shall constitute the official corporate name of the college. Such board shall be a body corporate, with all the powers usually conferred upon such bodies and necessary to enable it to acquire, hold and transfer property, make contracts, sue and be sued, and to exercise such other rights and privileges as may be necessary for the management and administration of the college, and for carrying out the provisions and purposes of this article. (1957, c. 1098, s. 5.)

§ 116-52. Enumerated powers of board.—The trustees of each community college shall have authority, in the exercise of which they shall be subject to the provisions of article 16, chapter 116 of the General Statutes:

- (1) To employ a president, dean or other chief administrative officer of the college upon such terms and conditions as the trustees shall fix and determine.
- (2) To employ, or to delegate to the chief administrative officer the authority to employ subject to the approval of the trustees, all such other officers, teachers, instructors and employees as may be necessary for the operation of the college and to prescribe their titles and duties.
- (3) To prescribe the curricula which shall be offered, and the certificates or degrees which shall be awarded upon satisfactory completion of any given course of study.
- (4) To do all things necessary or proper to comply with any conditions which may be prescribed by the State of North Carolina or the United States of America in order to be eligible to receive monies or other assistance appropriated or designated for the benefit of such institutions.
- (5) To fix tuition, fees, and other charges for students attending or applying for attendance at the college.
- (6) To prescribe and require the use of entrance examinations.
- (7) To provide for an adequate system of accounting for all funds and property received, held, managed, expended or used by the college, and to require persons directly responsible for the handling of such funds to be adequately bonded.

- (8) To purchase any land, easement or right of way which the trustees determine to be necessary for the proper operation of the college and, if the trustees of the college are unable to agree with the owners thereof for the purchase of such land, right of way or easement, to condemn same in the same manner and under the same procedure as is provided in Chapter 40 (Eminent Domain), Article 2 (Condemnation Proceedings), of the General Statutes of North Carolina. The determination of the trustees of the land necessary for such purpose shall be conclusive.
- (9) To receive and accept private donations for such purposes and upon such terms as the donor may prescribe and which are consistent with the provisions of this article.
- (10) To utilize, pursuant to agreement with any local administrative school unit, any service, property or facilities of any such unit, and, in their discretion, to employ personnel jointly with any such unit on a co-operative, cost sharing basis.
- (11) To perform such other acts and do such other things as may be necessary or proper for the exercise of the foregoing specific powers, including the adoption and enforcement of all reasonable rules, regulations and bylaws for the government and operation of the college under this article and for the discipline of students. (1957, c. 1098, s. 6.)

§ 116-53. Appropriations by State.—(a) Appropriations by the State of North Carolina as grants-in-aid to community colleges for operating expenses shall be paid on the basis of a specified sum per student quarter-hour of instruction delivered in a limited curriculum consisting of courses at the freshman and sophomore levels in liberal arts and sciences and in the first and second year offerings of technical institutes of college grade prescribed by the Board of Higher Education. The total annual amounts of these grants-in-aid to each college shall not, except when the Appropriation Act specifically provides otherwise, exceed the total of local public or private funds (exclusive of student fees and charges) made available annually to such college for operating expenses. Certification on forms prescribed by the Board of Higher Education shall be made to said Board and upon approval by said Board payments shall be made by the State disbursing officer to each community college in amounts not in excess of appropriations therefor.

Note: See page 47, below.

(b) Appropriations by the State of North Carolina for capital or permanent improvements for community colleges shall, except when the Appropriation Act specifically provides otherwise, be on an equal matching fund basis, the monies raised by a particular community college from public or private sources being matched by an equal amount of State funds, up to but not in excess of appropriations therefor. The sole purposes for which such appropriations may be expended shall be to acquire real property and to construct and equip classrooms, laboratories, administration offices, utility plants, libraries, cafeterias, physical education instructional facilities, and auditorium facilities, in such order of priority as the Board of Higher Education and the Advisory Budget Commission shall determine. Such appropriations shall not be expended for any other purpose, it being expressly intended that the construction of all other facilities and procurement of all other equipment shall be the sole obligation and responsibility of the community college.

Preliminary studies and cost estimates for the construction of all buildings or other capital improvements and proposals for the purchase of all original equipment to be installed or used therein, involving the expenditure of State funds, shall be first submitted to and approved by the Board of Higher Education and the State Budget Bureau.

After approval by the Board of Higher Education and the Budget Bureau, payments shall be made by the State disbursing officer to the community college, within authorized appropriations, according to procedures established by the Budget Bureau. (1957, c. 1098, s. 7; 1961, c. 1099.)

Editor's Note.—The 1961 amendment inserted after the comma following the word “cafeterias” in line eight of subsection (b) the words “physical education instructional facilities.”

§ 116-54. Local appropriations or bond issues to supplement State appropriations.—When the State of North Carolina has made appropriations for the purpose of financing the cost of capital or permanent improvements for the benefit and use of one or more community colleges on such terms as shall require funds from other sources to supplement that part of said appropriations allocated to a particular community college and the amount of such funds available therefor is insufficient, the board of trustees of said community college may request the board of commissioners of the county in which said community college is situated to provide such funds. Upon receipt of such request said board of commissioners shall, within a reasonable time thereafter, proceed with providing sufficient funds either by appropriation in a manner consistent with the provisions of the County Fiscal Control Act or by issuance of bonds voted in an election called by said board of commissioners, or by both, as said board of commissioners may deem expedient. Any such bonds shall be issued pursuant to the County Finance Act, as amended, and shall be subject to the provisions of the Local Government Act. The board of commissioners shall not be required to call an election for the issuance of bonds for the benefit of a community college within two (2) years after the date of the last preceding election for such purpose. The request to the board of commissioners shall specify the amount of funds required to be provided in order to match State appropriation: Provided, the board of trustees may at the same time request an amount in addition to the amount required to match State appropriation either for the same or for different purposes for which such State appropriation is made and may at any time request the board of commissioners may proceed to provide funds to meet such requests for funds not required to match State appropriation by county appropriation or bond issue as hereinabove provided or may modify such request and proceed or may deny such request. Bonds may be authorized for such amount required to match State appropriation and for such additional amount by a single bond order or by separate bond orders in the discretion of the board of commissioners. (1957, c. 1098, s. 8.)

§ 116-55. Disposition of proceeds of local bond issue.—The proceeds of the sale of bonds issued by a county for a community college, after deducting therefrom the cost of preparing, issuing and marketing said bonds and the amount of any accrued interest and premium contained therein, may be turned over to the board of trustees of such community college, in which event no member of the board of commissioners of the county nor any county officer shall be liable for a penalty under the provisions of G. S. 153-107 with respect to the application of such proceeds. (1957, c. 1098, s. 9.)

§ 116-56. County taxes for maintenance of college; election on question of levying.—Notwithstanding any constitutional limitation or limitation provided by any general or special law, taxes may be levied by the board of commissioners of a county for the purpose of financing the cost of operation, equipment and maintenance of any community college situated within the boundaries of the county, and the special approval of the General Assembly is hereby given for the annual levying of taxes for such special purposes: Provided, that the levy of such special taxes shall be approved by the vote of a majority of the qualified voters of such county who shall vote on the question of levying such taxes in an election held for such purpose. The board of trustees may request the board of commissioners of the county to call an election, as hereinafter pro-

vided, upon the question of levying such taxes and shall specify in such request the maximum rate or amount of such taxes. Upon receipt of such request the board of commissioners of the county shall, within a reasonable time thereafter, submit the question of the authorization to levy such taxes at an election. The question of levying such taxes may be submitted at the same time as the question of issuance of bonds referred to in § 116-54 is submitted, or such question may be submitted at a separate election. A ballot shall be furnished to each qualified voter at said election, which ballot may contain the words "For Community College maintenance tax (briefly stating any other pertinent information)", and "Against Community College maintenance tax, (briefly stating any other pertinent information)", with a square in front of each proposition, in one of which squares the voter may make a cross mark (X), but any other form of ballot containing adequate information and properly stating the question to be voted upon shall be construed as being in compliance with this article. Such election may be held at the same time and in the same manner as elections held under article 9, chapter 153 of the General Statutes, the same being designated as the County Finance Act, beginning with G. S. 153-69 and sections following, or said election may be held at any time fixed by the board of commissioners of the county.

On or before the 1st day of May of each year the board of trustees shall notify the board of commissioners of the county of the amount of such taxes to be levied in such year and it shall be the duty of the board of commissioners of the county to levy such taxes accordingly. Such taxes shall be levied and collected in the same manner as other taxes of the county are levied and collected, and the collections thereof shall be turned over to the board of trustees by the end of each month. (1957, c. 1098, s. 10.)*

§ 116-57. Election by college to come under article; procedure; provisions as to certain colleges.—Any college now or hereafter eligible, or desiring to become eligible, to receive the benefit of any direct appropriations of the State of North Carolina as a community college, and which desires to take advantage of such appropriations, must first elect to come under the provisions of this article. Such election shall be duly made by the governing board of the college and by such other group or body as may be necessary under the provisions of any charter or bylaws applicable to the college in question.

The resolutions of election to come under the provisions of this article shall include appropriate resolutions:

- (1) Electing to come under the provisions of this article and to have this article, as written and as subsequently amended, serve as the charter of said college in lieu of any existing charter or other authority under which the existing college is operated;
- (2) Designating the name by which the community college shall be known;
- (3) Providing for the transfer and conveyance of all assets owned or used by the existing college to the community college (authority is hereby given to any board of education, board of county commissioners or governing board of any municipality owning funds and properties so used, to transfer and convey same to a community college in the county, without consideration, upon authorization of an annual tax levy for the maintenance of such college);
- (4) Petitioning the State of North Carolina to approve it as a community college, and
- (5) Providing that all such resolutions of election are adopted subject to approval of such institution by the State of North Carolina as a community college and subject to the authorization of an annual tax levy by a vote of the people of the county in which the college is located.

The petition of the college for approval, accompanied by a copy of all resolutions of election to come under the provisions of this article, duly certified by the president or chairman of the governing board of the college and attested by the secretary, shall be submitted to the Board of Higher Education for approval.

* **Note:** See page 46, below.

Written approval of the petition by the Board of Higher Education and the Advisory Budget Commission, and by the Attorney General as to form and legality, shall constitute approval by the State of North Carolina, subject to an authorization of an annual tax levy as aforesaid.

The petition for approval as a community college of any existing college which, prior to June 5, 1957, has received appropriations from State funds and is receiving public support from any county and/or municipal tax or nontax revenues may be approved, and may operate as a community college under this article, without an authorization of an annual tax levy by a vote of the people of the county in which the college is located.

For good cause shown, the Board of Higher Education and the Advisory Budget Commission may approve the petition of the petitioning college without requiring the transfer of all funds and properties used by it to the community college, provided that the petitioner shall comply with such conditions as said Board and Commission may impose to assure the provision of adequate facilities for the community college. Following approval of the State of North Carolina as aforesaid, the board of commissioners of the county in which the college is located shall, within a reasonable time after receiving a request from the governing board of the college therefor, submit at an election the question of levying taxes to finance the operation, equipment and maintenance thereof. Such election shall be called and held in accordance with the provisions of § 116-56.

If the governing board of the existing college shall submit to the Board of Higher Education, within eighteen months after the approval of the college by the State of North Carolina as aforesaid, a certificate of the result of such election showing approval of levying of taxes for the maintenance of the college as a community college, the Board of Higher Education shall, upon receipt thereof, file the resolutions of election, together with written approval thereof as aforesaid, and the certificate of the result of the election in the office of the Secretary of State.

From and after the filing of said documents in the office of the Secretary of State, said college shall be a community college under this article; the existing governing board shall continue to act pending appointment of the first board of trustees under this article; said existing board shall take all such action as shall be necessary and proper to transfer the funds and properties owned or used by the former institution to the new community college and to dissolve or otherwise terminate the former corporation, if such there be. From and after the organization of the new community college this article shall serve as its charter.

Asheville-Biltmore College, Charlotte College (including Carver College), and Wilmington College (including Williston unit) may, by filing with the Board of Higher Education a petition for approval as a community college, receive during the fiscal year July 1, 1957 through June 30, 1958 any appropriations from State funds for operating expenses for community colleges in the manner provided in § 116-53, (a). Such funds may be paid, with the approval of the Board of Higher Education, to the college or to the county or city administrative school unit operating such college. The petitioner shall, prior to June 30, 1958, comply with all of the applicable provisions of this article for qualification as a community college. If the Board of Higher Education shall find that the petitioner is not proceeding with reasonable diligence to comply with the provisions of this article, it is hereby authorized to withhold from such college State appropriations. (1957, c. 1098, s. 11.)

§ 116-58. Establishment of community college.—In any county not having a college supported by local public funds which would be eligible for establishment as a community college under this article, the county board of education may petition the State of North Carolina for authority to establish a community college under this article in said county. The petition shall be submitted to the Board of Higher Education and shall contain such information concerning the proposed location and plans for the financing and operation of the college as the Board of Higher Education may require. Written approval of the petition by the Board of Higher Education and the Advisory Budget Commission, and by the Attorney General as to form and legality, shall constitute approval by the State of North Carolina, subject to the authorization of an annual tax levy for the operation, equipment and maintenance of the proposed college by a vote of the people of the county in which the college is to be located. Following approval of the State of North Carolina as aforesaid, the board of commissioners of the county in which it is proposed that the college shall be located shall, within a reasonable time after receiving a request from the petitioning county board of education therefor, submit at an election the question of levying taxes to finance the operation, equipment and maintenance of such college. The election shall be called and held in accordance with the provisions of § 116-56.

If, within eighteen months after the approval of the petition by the State of North Carolina as aforesaid, the petitioning county board of education shall submit to the Board of Higher Education a certificate of the result of such election showing approval of the levying of taxes for the maintenance of the proposed community college, the Board of Higher Education shall file the petition, together with the written approval thereof as aforesaid, and the certificate of the result of the election in the office of the Secretary of State.

From and after the filing of said documents in the office of the Secretary of State, said proposed college shall be deemed chartered as a community college under this article; provided, however, that unless and until appropriations shall be made by the State of North Carolina for the benefit of said college the trustees who would otherwise be appointed by the Governor of North Carolina, under § 116-50, (a), shall be appointed by the petitioning county board of education and their successors in office and shall all be residents of the county in which the college is located.

Approval of the petition by the State of North Carolina as aforesaid shall become null and void at the end of eighteen months from the date of such approval if the election hereinabove provided for authorizing the levying of taxes for the maintenance of the community college shall not have been held and voted upon favorably within that time. (1957, c. 1098, s. 12.)

§ 116-59. Board of Higher Education authorized to establish minimum standards.—The Board of Higher Education shall have authority to prescribe minimum standards with respect to student enrollment or prospective enrollment in academic courses, facilities, and other pertinent matters for approval as a community college under this article. (1957, c. 1098, s. 13.)

§ 116-60. Payment of expenses of special election under article.—The cost of any special election held under authority of this article shall be paid out of the general fund of the county or, in the discretion of the board of commissioners of the county and with the concurrence of the board of education of the county, out of the school current expense fund of the county, and the authority to appropriate from said school current expense fund for such cost is hereby given. (1957, c. 1098, s. 14.)

§ 116-61. **Discontinuance as a community college.**—A community college may, by appropriate resolutions of its trustees and of the board of commissioners of the county in which it is located elect to discontinue its existence and operation as a community college under this article as of the end of any regular school year; provided, however, that any community college which shall have accepted funds from the State of North Carolina for capital or permanent improvements shall, upon its discontinuance as a community college under this article, pay to the State of North Carolina a sum equal to all appropriations made by the State to said college for capital or permanent improvements, less $2\frac{1}{2}\%$ per annum from the date of payment of each such appropriation by the State to the date of such discontinuance as a community college; provided, further, that such payment may, for good cause, be waived in part or in toto by the Governor and the Advisory Budget Commission, acting jointly. If such payment, not being waived, is not made within ninety days after the discontinuance of the college as a community college under this article, such failure to pay shall work an automatic forfeiture of all the assets and property of the college to the State of North Carolina. (1957, c. 1098, s. 15.)

§ 116-62. **Construction and effect of article.**—This article is in addition to and shall not be construed as superseding or repealing any prior act of the General Assembly establishing or authorizing the establishment of any college or the levy of taxes or the appropriation of local public funds for the support of any college. (1957, c. 1098, s. 17.)

Article 9.

County Finance Act.

. . . .

§ 153-77. Purposes for which bonds may be issued and taxes levied.—The special approval of the General Assembly is hereby given to the issuance by counties of bonds and notes for the special purposes named in this section, and to the levy of property taxes for the payment of such bonds and notes and interest thereon. Accordingly, authority is hereby given to all counties in the State, under the terms and conditions herein described, to issue bonds and notes, and to levy property taxes for the payment of the same, with interest thereon, for the following purposes, including therein purchase of the necessary land and, in the case of buildings, the necessary equipment, and the remodeling, enlarging and reconstructing of any buildings erected or purchased:

. . . .

(q) Erection of community colleges, including the purchase of land and the erection of classrooms, laboratories, administrative offices, utility plants, libraries cafeterias and auditoriums and the purchase and installation of equipment therefor: Provided, bonds for such purpose shall be deemed to be school bonds and the statement filed with the clerk after introduction and before final passage of an order authorizing such bonds shall be filed pursuant to the provisions of G. S. 153-83. (1957, c. 1098, s. 16; 1961, c. 293; c. 1001, s. 2.)

Session Laws 1961, c. 833 (Current Appropriations Act)

Sec. 19. The appropriations made to the Department of Administration for the purpose of providing grants-in-aid toward maintenance and operation of community colleges at Charlotte, Asheville, Elizabeth City, and Wilmington, or any other community college or colleges which may become eligible for grants under the provisions of G. S. 116-3, shall constitute a lump sum from which payments shall be made to each community college upon a certification by the North Carolina Board of Higher Education of the sum to which each community college has become entitled as a result of allowing four dollars (\$4.00) per student quarter hour of instruction actually delivered to North Carolina residents and courses approved for such State aid by the said Board of Higher Education; and the Governor and Council of State may allot additional money out of the Contingency and Emergency Fund in case the regular appropriations herein made for this purpose prove to be inadequate.

V. TUITION

ARTICLE 14.

General Provisions as to Tuition Fees in Certain State Institutions.

§ 116-143. **State-supported institutions required to charge tuition fees.**—The trustees of the University of North Carolina, including the University of North Carolina, the State College of Agriculture and Engineering and the Woman's College of the University of North Carolina, and the trustees of the East Carolina Teachers College, the Western Carolina Teachers College, the Appalachian State Teachers College, the Negro Agricultural and Technical College, the Winston-Salem Teachers College, the Fayetteville State Teachers College, the Elizabeth City State Teachers College, the North Carolina College for Negroes and the Pembroke State College for Indians, are hereby authorized and directed to fix the tuition fees for their several State-supported institutions, each board of trustees acting separately for their respective institutions, in such amount or amounts as they may deem best, taking into consideration the nature of each department and institution and the cost of equipment and maintaining the same; and are further instructed to charge and collect from each student, at the beginning of each semester, tuition fees and an amount sufficient to pay room rent, servants' hire and other expenses for the term.

In the event that said students are unable to pay the cost of tuition and required academic fees as the same may become due, in cash, the said several boards of trustees are hereby authorized and empowered, in their discretion, to accept the obligation of the student or students together with such collateral or security as they may deem necessary and proper, it being the purpose of this article that all students in State institutions of higher learning shall be required to pay tuition, and that free tuition is hereby abolished.

Inasmuch as the giving of tuition and fee waivers, or especially reduced rates, represent in effect a variety of scholarship awards, the said practice is hereby prohibited except where expressly authorized by statute; and, furthermore, it is hereby directed and required that all budgeted funds expended for scholarships of any type must be clearly identified in budget reports.

Where an individual serves as a faculty member on a part-time basis and is enrolled at the same time as a part-time student, a special tuition rate not lower than the North Carolina resident rate may be granted in the discretion of the board of trustees of the institution. (1933, c. 320, s. 1; 1939, cc. 178, 253; 1949, c. 586; 1961, c. 833, s. 16.1.)

Editor's Note.—

The 1961 amendment, effective July 1, 1961, deleted the last sentence of the first paragraph relating to indigent cripples,

struck out the latter part of the second paragraph relating to physically disabled students and added the last two paragraphs.

§ 116-144. **Higher fees from nonresidents may be charged.**—The provisions of this article shall not be construed to prohibit the several boards of trustees from charging nonresident students tuition in excess of that charged resident students. (1933, c. 320, s. 3.)

VI. SCHOLARSHIPS

A. Children of Veterans

ARTICLE 15.

Educational Advantages for Children of World War Veterans.

§§ 116-145 to 116-148.1: Repealed by Session Laws 1951, c. 1160, s. 1.

Cross Reference. — See note under § 116-149.

§ 116-149. **Definitions.**—(a) As used in this article, “veteran” means a person who served as a member of the armed forces of the United States at any time between April 6, 1917, the date of the declaration of war with respect to the war known as World War I, and July 2, 1921, or between December 7, 1941, the date of the declaration of war with respect to the war known as World War II, and December 31, 1946, and who was separated from the armed forces under conditions other than dishonorable.

(b) As used in this article, “eligible child” means:

(1) A child of a veteran who was a legal resident of North Carolina at the time of said veteran’s entrance into the armed forces, or

(2) A veteran’s child who was born in North Carolina and has lived in North Carolina continuously since birth.

(3) A child meeting either of the requirements set forth in subsections (1) and (2) above, and who was legally adopted by the veteran prior to or during such military service in which such veteran served and/or became disabled or died. (1951, c. 1160, s. 1; 1955, c. 469.)

Editor’s Note. — The 1951 amendment rewrote this article which formerly consisted of §§ 116-145 through 116-148.1. Section 2 of the amendatory act provided: “This act shall not have the effect of revoking or otherwise affecting any scholarship of tuition and fees or award of free room and board heretofore made pursuant to any law in force at the time such scholarship or award was granted, and

such scholarships and awards shall continue in full force for the period for which granted.”

Former §§ 116-145 through 116-148.1 were derived from Public Laws 1931, c. 370; Public Laws 1937, c. 242; Public Laws 1939, cc. 54, 165; Public Laws 1941, cc. 154, 239, 302; and Session Laws 1943, c. 534.

The 1955 amendment subsection (a) was not affected by the added paragraph (3) to subsection (b). As amendment it is not set out.

§ 116-150. **Scholarship.**—A scholarship granted pursuant to this article shall consist of free tuition, room and a reasonable board allowance in any State educational institution and such other items and institutional services as are embraced within the so-called institutional matriculation fees and other special fees and charges required to be paid as a condition to remaining in said institution and pursuing the course of study selected.

Every applicant for benefits pursuant to this section shall furnish a statement from the United States Veterans Administration stating such facts as the Administration records disclose showing that the applicant comes within the provisions of this article.

A scholarship granted pursuant to this article shall not extend for a longer period than four academic years with respect to any one child, which years, however, need not be consecutive. (1951, c. 1160, s. 1.)

§ 116-151. Classes of eligible children entitled to scholarships.

(1) Class I: Any eligible child whose father was killed in action or died from wounds or other causes while a member of the armed forces during either period of military service described in § 116-149, or whose father has died as a direct result of injuries, wounds, or other illness contracted during said period of service, or any eligible child whose father is or was a veteran who, at the time the benefits pursuant to this article are sought to be availed of, is suffering from, or who at the time of his death was suffering from, one hundred per cent (100%) service-connected disability, as rated by the United States Veterans Administration, and who is or was drawing compensation for such disability.

(2) Class II: Any eligible child whose father is or was a veteran who, at the time the benefits pursuant to this article are sought to be availed of, is suffering from, or who at the time of his death, was suffering from, a service-connected disability of thirty per cent (30%) or more as rated by the United States Veterans Administration: provided, that benefits pursuant to § 116-150 for this class of eligible children shall be limited to not more than ten eligible children in any one school year; and provided further, that if more than ten such eligible children apply for such benefits in any one school year the North Carolina Veterans Commission shall designate the ten children who shall receive such benefits. A statutory award for tuberculosis pulmonary arrested shall be considered as meeting the criteria of disability as set forth with respect to this class.

(3) Class III: Any eligible child whose father is or was a veteran who, at the time the benefits pursuant to this article are sought to be availed of, is suffering from, or who at the time of his death was suffering from, one hundred per cent (100%) nonservice-connected disability, as rated by the United States Veterans Administration, and who is or was drawing compensation for such disability; provided, that benefits pursuant to § 116-150 for this class of eligible children shall be limited to not more than ten children in any one school year, and, provided further, that if more than ten children of this class apply for such benefits in any one school year, the North Carolina Veterans Commission shall designate the ten children who shall receive such benefits. (1951, c. 1160, s. 1; 1955, c. 1192.)

Editor's Note.—The 1955 amendment rewrote paragraphs (1) and (3).

§ 116-152. Institution reimbursed for free room rent and board.—

Any State educational institution furnishing free room rent and board allowance pursuant to this article shall be reimbursed therefor from the State Contingency and Emergency Fund at such rate as the Director of the Budget may determine to be reasonable. (1951, c. 1160, s. 1.)

§ 116-153. Scholarships for children of veterans of World War I dying in veterans hospitals.—Any child of a veteran of World War I who has died or dies in a hospital maintained by the Veterans Administration or after his discharge from such institution as incurable following an illness or disablement for at least five (5) years preceding his death and who leaves no real estate above the homestead exemption and no more than one thousand dollars (\$1,000.00) in personal property, shall be awarded the scholarships described in G. S. 116-150 provided such child was born in North Carolina, is or was a resident of North Carolina upon the death of such veteran, is less than twenty (20) years of age at the time of application for such scholarship, presents reasonable proof for the need of such scholarship, and is a resident of North Carolina at the time of application for such scholarship. Proof of compliance with the requirements of this section and of the need for such scholarship shall be presented to the board of trustees of the institution such child desires to attend. Scholarships

provided under this section shall be limited to a standard four (4) year undergraduate course. Provided, however, that benefits hereunder shall be limited to not more than five (5) children in any one school year; provided further, that if more than five (5) children apply for such benefits in any one school year, the North Carolina Veterans Commission shall designate the five (5) children who shall receive such benefits. (1953, c. 1336.)

B. Prospective Teachers

ARTICLE 18.

Scholarship Loan Fund for Prospective Teachers.

§ 116-171. **Establishment of Fund.**—There is hereby established a revolving loan fund which shall be known as the “Scholarship Loan Fund for Prospective Teachers.” (1957, c. 1237.)

§ 116-172. **Appropriations paid into Fund; how administered.**—Such funds as may be appropriated by the General Assembly to said fund or to the State Board of Education for the purpose of a student loan fund for teacher education shall be paid into the Scholarship Loan Fund for Prospective Teachers and administered by the State Board of Education and the State Superintendent of Public Instruction as follows:

During the first year of the 1957-1959 biennium, to provide for prospective teachers not to exceed 300 regular scholarship loans in the amount of not more than three hundred fifty dollars (\$350.00) each, and for the second year of the biennium to provide for such persons not to exceed 600 regular scholarship loans in the amount of not more than three hundred fifty dollars (\$350.00) each, and for each summer of said biennium to provide for prospective teachers and for teachers taking undergraduate courses not to exceed 200 summer school scholarship loans in the amount of not more than seventy-five dollars (\$75.00) each; provided, however, the State Board of Education in its discretion may, within the funds available, vary the number and proportion of regular and summer scholarship loans to be established in any one year.

During years after the first biennium in which this Fund shall be established, loans of the type and amounts provided for during the first biennium shall be made in such numbers and amounts and proportions as the State Board of Education in its discretion may prescribe within the funds available from appropriations or otherwise. (1957, s. 1237.)

§ 116-173. **Duration of Fund; loans repaid and interest received added to Fund and administered for same purposes.**—The Scholarship Loan Fund for Prospective Teachers shall continue in effect until terminated by action of the General Assembly of North Carolina and such amounts of loans as shall be repaid from time to time under the provisions of this article, together with such amounts of interest as may be received on account of loans made shall become a part of the principal amount of said Loan Fund and shall be administered for the same purposes and under the same provisions as are set forth herein to the end that such funds may be utilized in addition to such further amounts as may be appropriated from time to time by the General Assembly to said Loan Fund. (1957, c. 1237.)

§ 116-174. **Fund administered by State Superintendent of Public Instruction; rules and regulations.**—The Scholarship Loan Fund for Prospective Teachers shall be administered by the State Superintendent of Public Instruction, under the following rules and regulations, and under such further rules and regulations as the State Board of Education shall in its discretion promulgate:

- (1) Any resident of North Carolina who is interested in preparing to teach in the public schools of the State shall be eligible to apply in writing to the State Superintendent of Public Instruction for a regular scholarship loan in the amount of not more than three hundred fifty dollars (\$350.00) per academic school year and any such person or any person who is teaching in the public schools of the State and is in-

interested in taking further undergraduate courses shall be eligible to apply for a summer school scholarship loan in the amount of not more than seventy-five dollars (\$75.00). Recipients of scholarship loans may attend any North Carolina college or university, public or private, which offers teacher training or work leading to teacher training and which is approved by the State Board of Education; except that scholarship loans may not be used in obtaining credit through correspondence or extension courses.

- (2) All scholarship loans shall be evidenced by notes made payable to the State Board of Education which shall bear interest at the rate of 4% per annum from and after September 1 following fulfillment by a prospective teacher of the requirements for a teacher's certificate based upon the bachelor's degree; or in the case of persons already teaching in the public schools who obtain scholarship loans such notes shall bear interest at the prescribed rate from and after September 1 of the school year beginning immediately after the use of such scholarship loans; or in the event any such scholarship shall be terminated under the provisions of paragraph (3) of this section then such notes shall bear interest from the date of such termination. A minor recipient who signs such note or notes shall also obtain the endorsement thereon by a parent, if there be a living parent, unless such endorsement is waived by the Superintendent of Public Instruction. Such minor recipient shall be obligated upon such note or notes as fully as if he or she were of age and shall not be permitted to plead such minority as a defense in order to avoid the obligations undertaken upon such note or notes.
- (3) Each recipient of a scholarship loan under the provisions of this program shall be eligible for scholarship loans each year until he has qualified for a teacher's certificate based upon the bachelor's degree, but he shall not be so eligible for more than four years nor after qualifying for said certificate. The permanent withdrawal of any recipient from college or failure of such recipient to do college work in a manner acceptable to the State Superintendent of Public Instruction will immediately forfeit such recipient's right to retain such scholarship and subject such scholarship to termination by the State Superintendent of Public Instruction in his discretion. All terminated scholarships shall be regarded as vacant and subject to being awarded to other eligible persons.
- (4) Except under emergency conditions acceptable to the State Superintendent of Public Instruction, recipients of scholarship loans shall enter the public school system of North Carolina at the beginning of the next school term after qualifying for a teacher's certificate, based upon the bachelor's degree, or, in case of persons already teaching in the public schools, at the beginning of the next school term after the use of such loan. All teaching service for which the recipient of any scholarship loan is obligated shall be rendered within 7 years after the completion of the use of each such scholarship loan.
- (5) For each full school year taught in a North Carolina public school the recipient of a scholarship loan shall receive credit upon the amount due by reason of such loan equal to all interest accrued upon the loan to that time plus a credit of three hundred fifty dollars (\$350.00) upon the principal amount of such obligation or such lesser amount as may remain due upon said principal; provided, however, that in lieu of teaching in the public schools a recipient may elect to pay in cash the full amount of scholarship loans received plus interest then due thereon or any part thereof which has not been cancelled by the State Board of Education by reason of teaching service rendered.

- (6) If any recipient of a scholarship loan who is fulfilling his obligation under paragraph (4) of this section dies within the seven-year period, or if any recipient dies during the period of attendance at a college or university under a scholarship loan, any balance that has not been discharged through service shall be automatically cancelled.

If any recipient of a scholarship loan fails to fulfill his obligations under paragraph (4) of this section, other than as provided above, the amount of his loan and accrued interest, if any, shall be due and payable from the time of failure to fulfill such obligations.

- (7) The State Superintendent of Public Instruction shall award scholarship loans with due consideration to such factors and circumstances as: Aptitude, purposefulness, scholarship, character, financial need, and areas or subjects of instruction in which the demands for teachers are greatest. Since the primary purpose of this article is to attract worthy young people to the teaching profession, preference shall be given to high school seniors in the awarding of scholarships. (1957, c. 1237.)

C. Health Services Personnel

ARTICLE 13.

Medical Care Commission and Program of Hospital Care.

§ 131-121. **Medical and other students; loan fund.**—The North Carolina Medical Care Commission is hereby authorized and empowered, in accordance with such rules as it may promulgate, to make loans to students who may wish to become physicians, dentists, pharmacists, or nurses and who are accepted for enrollment in any standard school or college giving approved courses in medicine, dentistry, pharmacy or nursing, and is approved by the Commission provided such student or students shall agree, that upon graduation and being duly licensed, to practice medicine, dentistry, pharmacy or nursing in some rural area of North Carolina for one calendar year of twelve months for each academic year or fraction thereof for which the student receives a loan. Rural area, for the purpose of this section, shall mean any town or village having less than 2,500 population according to the most recent decennial census, or area outside and around any such town or village, or area approved by the Medical Care Commission that is considered to meet the spirit and intent of the student loan program. Such loans shall bear such rate of interest as may be fixed by the Commission, not to exceed four per cent (4%) per annum. The Commission shall have the authority to cancel any contract made between it and any applicant for loans upon cause deemed sufficient by the Commission. In such cases, the applicant shall repay the loan in full with interest at four per cent (4%) per annum.

For the purpose of carrying out the provisions of this section, there is hereby appropriated from the general fund for the fiscal year ending June thirtieth, one thousand nine hundred and forty-six, to the North Carolina Medical Care Commission the sum of fifty thousand dollars (\$50,000.00). The State Treasurer shall set up on his records an account to which shall be deposited said amount, and from which withdrawals shall be made upon vouchers made by the State Auditor upon request of the North Carolina Medical Care Commission. This appropriation shall not lapse at the end of any biennium, but shall remain available for the purposes herein stated.

For the purpose of encouraging medical students and student nurses to specialize in psychiatry, and to extend the provisions of this section and to provide sufficient funds to accomplish the purposes of this paragraph, there is hereby allocated out of the appropriations contained in chapter 1165 of the 1953 Session Laws for Student Loan Fund in section 1 under Title VI-16(2), for each year of the 1953-1955 biennium, the sum of fifty thousand dollars (\$50,000.00). Loans provided for in this paragraph shall be made only to students in the Schools of Medicine and Nursing who are specializing in psychiatry upon the following express conditions and limitations:

- (1) Loans shall be made only to medical students specializing in psychiatry and student nurses who are specializing in psychiatry and who are enrolled in or engaged in training at the Duke University Medical School, Durham, North Carolina; the Bowman Gray Medical School at Winston-Salem, North Carolina; or at the Medical School of the University of North Carolina at Chapel Hill. Loans shall be made only to bona fide residents of this State.
- (2) No loan shall be made to any one person in excess of two thousand dollars (\$2,000.00) for each scholastic year, not to exceed four years.

- (3) Under rules promulgated by the North Carolina Medical Care Commission, any loans made hereunder shall be canceled on the basis of a credit of the amount of one year's loan for each year of satisfactory service performed as a member of Staff of the John Umstead Hospital, Cherry Hospital, Broughton Hospital, or Dorothea Dix Hospital. Loans or any parts thereof not so canceled shall be repaid by the borrower and shall bear interest at the rate of four per cent (4%) per annum.

The North Carolina Medical Care Commission is hereby authorized, in its discretion, to approve transfers between rural and State hospitals programs so as to enable a student, after completing his training, to liquidate his obligations to the State under either program he prefers subject to the approval of the Commission and the State Hospitals Board of Control.

The North Carolina Medical Care Commission is hereby authorized and empowered to establish and promulgate rules and regulations fixing fair and reasonable standards, systems and plans whereby physicians, dentists, pharmacists, and nurses receiving loans under this section shall receive a credit on the principal and/or interest of such loan in an amount fixed by such Commission for each year, or other period of time as fixed by regulation, of practicing his or her profession in a rural area as defined in this section. (1945, c. 1096; 1947, c. 933, s. 2; 1949, c. 1019; 1953, c. 1222; 1959, c. 1028, ss. 1-4; c. 1165.)

Editor's Note.—

The first 1959 amendment changed the names of the State Hospital at Butner, the State Hospital at Goldsboro, the State Hospital at Morganton and the State Hospital at Raleigh to John Umstead Hospital, Cherry Hospital, Broughton Hospital

and Dorothea Dix Hospital, respectively.

The second 1959 amendment made changes in the latter part of the first and second sentences of the first paragraph and added the last two sentences thereof. It also inserted the next to the last paragraph.

§ 131-121.1. Graduate students in sociology and psychology; loan fund.—The North Carolina Medical Care Commission is hereby authorized and empowered in accordance with such rules as it may promulgate to make loans to students who wish to do graduate work in the field of sociology or psychology and who are enrolled in or accepted for enrollment in the appropriate graduate school of Duke University, Durham, North Carolina; Wake Forest College, Winston-Salem, North Carolina; or the University of North Carolina at Chapel Hill, North Carolina. Loans shall be made only to bona fide residents of this State and no loan shall be made to any one student in excess of two thousand dollars (\$2,000.00) for each scholastic year. Under rules promulgated by the North Carolina Medical Care Commission any loan made hereunder shall be cancelled on the basis of a credit of the amount of one year's loan for each year of satisfactory service performed as a member of the Staff of the State Hospital at Butner, the State Hospital at Goldsboro, the State Hospital at Morganton, or the State Hospital at Raleigh. Loans or any part thereof not so cancelled shall be repaid by the borrower and shall bear interest at the rate of four per cent (4%) per annum. Any appropriation made in furtherance of the program set forth in G. S. 131-121 shall likewise be used for the purpose of providing loans made pursuant to the provisions of this section. (1957, c. 1425.)

• • • •

§ 131-124. Medical training for negroes.—The North Carolina Medical Care Commission shall make careful investigation of the methods for providing necessary medical training for negro students, and shall report its findings to the next session of the General Assembly. In addition to the benefits provided by § 116-110, the North Carolina Medical Care Commission is hereby authorized to make loans to negro medical students from the fund provided in § 131-121, subject to such rules, regulations, and conditions as the Commission may prescribe. (1945, c. 1096.)

D. Prospective Dentists

ARTICLE 19.

Loan Fund for Dental Students.

§ 130-188. **State Board of Health.**—The State Board of Health is hereby authorized to establish a loan fund to be known as "The Little Jack Loan Fund" for junior and senior dental students by setting aside an amount, not to exceed twenty-two thousand, five hundred dollars (\$22,500.00), for such purpose from the special dental fund. (1953, c. 916, s. 1; 1957, c. 1357, s. 1.)

§ 130-189. **Conditions under which loans to be made.**—Loans are to be made upon agreement that the recipient will, upon graduation from dental school and the securing of license to practice dentistry in North Carolina, join the staff of the Division of Oral Hygiene of the North Carolina State Board of Health, and repay said Board of Health each month, from salary received, an amount to be agreed upon by the loan committee and the recipient, until said loan is paid in full. The loan is to be secured by approved notes, without interest. Should said borrower-employer relationship be severed, for any cause, the unpaid balance of the loan will become due immediately. (1953, c. 916, s. 2; 1957, c. 1357, s. 1.)

§ 130-190. **Administration and custody of loan fund; selection of recipients; loans to minors.**—Administration of the loan fund and selection of recipients are to be directed by a loan committee to be composed of the State Health Director, the dental member of the State Board of Health and the Director of the Division of Oral Hygiene. The budget officer of the State Board of Health is to be the custodian of the loan fund and will issue checks and receive payments of loans. The loan committee herein established shall have the power and authority to formulate and negotiate all contracts involved in making loans under this article. It shall have the power and authority to impose such reasonable contractual conditions as may be necessary to safeguard the fund herein established and shall fix all conditions as to amounts, length of time loans shall run, conditions of repayment and any and all things necessary to carry out the intent and purpose of this article. The fact that a junior or a senior dental student is under twenty-one years of age shall not invalidate any obligation signed by such junior or senior dental student under the provisions of this article and all such contracts, notes, agreements and other papers and documents signed by any junior or senior dental student under twenty-one years of age shall be legal, valid, binding and enforceable to the same extent as if said junior or senior dental student had already attained the age of twenty-one years or more. (1953, c. 916, s. 3; 1957, c. 1357, s. 1.)

VII. MISCELLANEOUS

A. Motor Vehicles

ARTICLE 20.

Motor Vehicles of Students.

§ 116-186. **Registration and regulation of motor vehicles maintained and operated by students on campuses.**—The boards of trustees of the University of North Carolina (including the University at Chapel Hill, the State College of Agriculture and Engineering and the Woman's College of the University of North Carolina), East Carolina College, Western Carolina College, Appalachian State Teachers College, Pembroke State College, Agricultural and Technical College of North Carolina, North Carolina College of Durham, Elizabeth City State Teachers College, Fayetteville State Teachers College, Winston-Salem Teachers College and community colleges organized under the provisions of article 3 of chapter 116 of the General Statutes are hereby authorized to adopt reasonable rules and regulations governing the registration and operation on campus of motor vehicles maintained and operated by students therein on the campuses thereof and may, in connection with such registration, charge a fee therefor not in excess of twenty-five dollars (\$25.00) annually, which fee shall be placed in a special fund at each institution to be used by appropriate resolution of the trustees to develop, maintain and supervise parking areas, provided, however, no fee shall be charged on those motor vehicles operated by physically handicapped students. (1961, c. 1192.)

Editor's Note.—The act inserting this article became effective July 1, 1961.

B. Student Minimum Wage

Sec. 9.1. From the funds appropriated to the State institutions of higher education in Section 1 of this Act and institutional receipts accruing to said institutions, the respective State institutions of higher education are hereby directed to pay to student help employed to perform work in said institutions a rate of pay which shall not be less in any case than seventy-five cents (75¢) per hour of work performed. (1961, c. 833 - Current Appropriations Act.)

C. Admissions Testing Reimbursement

Sec. 20. The appropriation made to the Department of Administration for admissions testing programs shall be used to reimburse any State institution of higher education for credits against tuition granted to entering students who have taken and paid for the Scholastic Aptitude Test of the College Entrance Examination Board as administered by the Educational Testing Service on a preadmission basis, and/or to any State institution of higher education which elects to have these tests given to freshmen on a post-admission basis for the purpose of assessing the relative scores of such freshmen with respect to national medium scores; and the Governor and the Council of State may allot additional money out of the Contingency and Emergency Fund in case the appropriations made in Section 1 of this Act for this purpose prove to be inadequate. (1961, c. 833 - Current Appropriations Act)

D. Criminal Law

Article 9.

Hazing.

§ 14-35. Hazing; definition and punishment.—It shall be unlawful for any student in any college or school in this State to engage in what is known as hazing, or to aid or abet any other student in the commission of this offense. For the purposes of this section hazing is defined as follows: "to annoy any student by playing abusive or ridiculous tricks upon him, to frighten, scold, beat or harass him, or to subject him to person indignity." Any violation of this section shall constitute a misdemeanor. (1913, c. 169, ss. 1, 2, 3, 4; C.S. 4217.)

§ 14-36. Expulsion from school; duty of faculty to expel.—Upon conviction of any student of the offense of hazing, or of aiding or abetting in the commission of this offense, he shall, in addition to any punishment imposed by the court, be expelled from the college or school he is attending. The faculty or governing board of any college or school charged with the duty of expulsion of students for proper cause shall, upon such conviction at once expel the offender, and a failure to do so shall be a misdemeanor. (1913, c. 169, ss. 5, 6; C.S., s. 4218.)

§ 14-37. Certain persons and schools excepted; copy of article to be posted.—This article shall not apply to females, nor to schools or colleges not keeping boarders, nor to schools keeping less than ten student boarders. A copy of this article shall be framed and hung on display in every college or school to which it applies. (1913, c. 169, s. 3; C.S., s. 4219.)

§ 14-38. Witnesses in hazing trials; no indictment to be founded on self-criminating testimony.—In all trials for the offense of hazing any student or other person subpoenaed as a witness in behalf of the State shall be required to testify if called upon to do so; Provided, however, that no student or other person so testifying shall be amenable or subject to indictment on account of, or by reason of, such testimony. (1913, c. 169, s. 8; C.S., s. 4220.)

. . . .

Article 26.

Offenses against Public Morality and Decency.

. . . .

§ 14-198. Lewd women within three miles of colleges and boarding schools.—If any loose woman or woman of

ill-fame shall commit any act of lewdness with or in the presence of any student, who is under twenty-one years old, of any boarding school or college, within three miles of such school or college, she shall be guilty of a misdemeanor, and upon conviction shall be fined not exceeding fifty dollars or imprisoned not exceeding thirty days. Upon the trial of any such case students may be competent but not compellable to give evidence. No prosecution shall be had under this section after the lapse of six months. (1889, c. 523; Rev., s. 3353; C.S., s. 4353.)

. . . .

Article 52.

Miscellaneous Police Regulations.

. . . .

§ 14-397. Use of name of denominational college in connection with dance hall.—It shall be unlawful for any person, firm, corporation, club or society, by whatsoever name called, to use in connection with any dance, or dance hall, by advertisement, announcement, or otherwise, the name of any college, or any class or organization of any college operated and conducted by a religious denomination, unless the written permission of the dean of such college is given, permitting and allowing the use of the name of such denominational college, or a class or organization of the same in connection with such dance, or dance hall. Any person violating any of the provisions of this section shall be guilty of a misdemeanor, and subject to a fine of not less than one hundred dollars (\$100) or imprisonment for not less than sixty days. (1927, c. 6.)

. . . .

§ 14-401.1. Misdemeanor to tamper with examination questions.—Any person who purloins, steals, buys, receives, or sells, gives or offers to buy, give, or sell any examination questions or copies thereof of any examination provided and prepared by law before the date of the examination for which they shall have been prepared, shall be guilty of a misdemeanor, and upon conviction thereof shall be fined or imprisoned, or both, in the discretion of the court. (1917, c. 146, s. 10; C.S., s. 5658.)

Note: Section Limited to Examinations "Provided and Prepared by Law."—The portion of this section reading "any examination provided and prepared by law" expressly limits the application of the statute to examinations "provided and prepared by law," i.e., examinations given by the State Board of Medical Examiners, the State Board of Law Examiners, and other examining boards of this class.

The statute has no application to college examinations.
State v. Andrews, 246 N.C. 561, 99 S.E. (2d) 745 (1957).

. . . .

Article 4.

Beverage Control Act of 1939.

. . . .

§ 18-87. No license for sales upon school property.—No license shall be issued for the sale of beverages enumerated in § 18-64 upon the campus or property of any public or private school or college in this State. (1939, c. 158, s. 521.)

. . . .

Article 3.

Motor Vehicle Act of 1937.

. . . .

§ 20-139. Operation upon driveways of public or private institutions while under the influence of intoxicating liquors, etc.—It shall be unlawful for any person, whether licensed or not, who is a habitual user of narcotic drugs or who is under the influence of intoxicating liquor or narcotic drugs, to operate a motor vehicle over any drive, driveway, road, roadway, street, or alley upon the grounds and premises of any public or private hospital, college, university, school, orphanage, church, or any of the institutions maintained and supported by the State of North Carolina, or any of its subdivisions, or upon the grounds and premises of any service station, drive-in theater, supermarket, store, restaurant or office building, or any other business or municipal establishment providing parking space for customers, patrons, or the public. Any person violating the provisions of this section shall be guilty of a misdemeanor and upon conviction shall be punished as provided in § 20-179. (1939, c. 292; 1951, c. 1042, s. 1; 1959, c. 1264, s. 1.)

Editor's Note.—The 1951 amendment rewrote this section. The 1959 amendment, effective Oct. 1, 1959, rewrote this section.

§ 20-140.1. Reckless driving upon driveways of public or private institutions, establishments providing parking space, etc.—Any person who shall operate a motor vehicle over any drive, driveway, road, roadway, street or alley upon the grounds and premises of any public or private

hospital, college, university, school, orphanage, church, or any of the institutions maintained and supported by the State of North Carolina or any of its subdivisions, or upon the grounds and premises of any service station, drive-in theater, supermarket, store, restaurant or office building, or any other business or municipal establishment, providing parking space for customers, patrons or the public, carelessly and heedlessly in wilful or wanton disregard of the rights or safety of others, or without due caution and circumspection and at a speed or in a manner so as to endanger or be likely to endanger any person or property, shall be guilty of reckless driving and upon conviction shall be punished by imprisonment not to exceed six months or by a fine, not to exceed five hundred dollars (\$500.00) or by both such imprisonment and fine, in the discretion of the court. (1951, c. 182, s. 1; 1955, c. 917; 1957, c. 1368, s. 2.)

Editor's Note.—The 1955 amendment inserted the words "or upon the grounds and premises of any service station, drive-in theater, supermarket, store, restaurant or office building, or any other business or municipal establishment, providing parking space for customers, patrons or the public."

The 1959 amendment deleted "as provided in § 20-180" from the end of the section and added in lieu thereof the present provision as to punishment.

Applied in *State v. McIntyre*, 238 N. C. 305, 77 S. E. (2d) 698 (1953).

E. Teacher Education

Article 18.

Certification and Salaries of Employees; Workmen's Compensation.

. . . .

§ 115-156. Colleges to aid as to certificates.—Each and every college or university of the State is hereby authorized to aid public school teachers or prospective teachers in securing, raising, or renewing their certificates, in accordance with the rules and regulations of the State Board of Education. (1955, c. 1372, art. 18, s. 5.)

F. Cadavers for Medical Schools

ARTICLE 14.

Cadavers for Medical Schools.

§ 90-211. **Board for distribution.**—The North Carolina Board of Anatomy shall consist of three members, one each from the University of North Carolina School of Medicine, the Duke University School of Medicine, and the Bowman Gray School of Medicine of Wake Forest College, appointed by the deans of the respective medical schools. This Board shall be charged with the distribution of dead human bodies for the purpose of promoting the study of anatomy in this State, and shall have power to make proper rules for its government and the discharge of its functions under this article. (1903, c. 666, s. 1; Rev., s. 4287; C. S., s. 6785; 1943, c. 100.)

Editor's Note.—The 1943 amendment rewrote this section.

§ 90-212. **What bodies to be furnished.**—All officers, agents or servants of the State of North Carolina, or of any county or town in said State, and all undertakers doing business within the State, having charge or control of a dead body required to be buried at public expense, or at the expense of any institution supported by State, county or town funds, shall be and hereby are required immediately to notify, and, upon the request of said Board or its authorized agent or agents, without fee or reward, deliver, at the end of a period not to exceed thirty-six hours after death, such body into the custody of the Board, and permit the Board or its agent or agents to take and remove all such bodies or otherwise dispose of them: Provided, that such body be not claimed within thirty-six hours after death to be disposed of without expense to the State, county or town, by any relative within the second degree of consanguinity, or by the husband or wife of such deceased person: Provided, further, that the thirty-six hour limit may be prolonged in cases within the jurisdiction of the coroner where retention for a longer time may be necessary: Provided, further, that the bodies of all such white prisoners dying while in Central Prison or road camps of Wake County, whether death results from natural causes or otherwise, shall be equally distributed among the white funeral homes in Raleigh, and the bodies of all such negro prisoners dying under similar conditions shall be equally distributed among the negro funeral homes in Raleigh; but only such funeral homes can qualify hereunder as at all times maintain a regular licensed embalmer: Provided, further, that nothing herein shall require the delivery of bodies of such prisoners to funeral directors of Wake County where the same are claimed by relatives or friends.

Whenever the dead body is that of an inmate of any State hospital, the State School for the Deaf, the State School for the Deaf, Dumb and Blind, or of any traveler or stranger, it may be embalmed and delivered to the North Carolina Board of Anatomy, but it shall be surrendered to the husband or wife of the deceased person or any other person within the second degree of consanguinity upon demand at any time within ten days after death upon the payment to said Board of the actual cost to it of embalming and preserving the body. (1903, c. 666, s. 2; Rev., s. 4288; 1911, c. 188; C. S., s. 6786; 1923, c. 110; 1937, c. 351; 1943, c. 100.)

Editor's Note.—The 1943 amendment rewrote this section.

§ 90-213. Autopsies unlawful without consent of Board.—It is hereby declared unlawful to hold an autopsy on any dead human body subject to the provisions of this article without first having obtained the consent, in writing, of the chairman of the Board or of his accredited agent: Provided, that nothing in this article shall limit the coroner in the fulfillment of his duties: Provided, further, that nothing in §§ 90-211 through 90-216, inclusive, shall prevent a person from making testamentary disposition of his or her body after death. (1903, c. 666, s. 3; Rev., s. 4289; 1911, c. 188; C. S., s. 6787; 1943, c. 100.)

Editor's Note.—The 1943 amendment rewrote this section.

§ 90-214. Bodies to be distributed to medical schools.—The bodies obtained under this article shall be distributed, with due precautions to shield them from the public view, among the several medical schools in a proportion to be agreed upon by a majority of the members of the North Carolina Board of Anatomy, such bodies to be used within the State for the advancement of science. (1903, c. 666, s. 4; Rev., s. 4290; C. S., s. 6788; 1943, c. 100.)

Editor's Note.—The 1943 amendment rewrote this section.

§ 90-215. How expenses paid.—All expenses for the delivery, distribution and embalming of the dead bodies obtained under this article upon the request of the North Carolina Board of Anatomy, under such rules and regulations as the Board may provide shall be borne by the medical school receiving same, and in no case shall the State or any county or town be liable therefor. (1903, c. 666, s. 5; Rev., s. 4291; C. S., s. 6789; 1943, c. 100.)

Editor's Note.—The 1943 amendment rewrote this section.

§ 90-216. Violation of article misdemeanor.—Any person failing or refusing to perform any duty imposed by this article, or violating any of its provisions shall be guilty of a misdemeanor, punishable by a fine and/or imprisonment in the discretion of the court. (1903, c. 666, s. 6; Rev., s. 3567; C. S., s. 6790; 1943, c. 100.)

Editor's Note.—The 1943 amendment rewrote this section.

VIII. COLLEGE REVOLVING FUND

ARTICLE 17.

College Revolving Fund.

§ 116-168. **Establishment, purpose and nature of Fund; loans.**—There is hereby established a revolving fund to be known as the “College Revolving Fund”. The College Revolving Fund shall be separate and distinct from other funds of the State, and shall be used only for the purpose of constructing, reconstructing, renovating, adding to and equipping dormitories and other self-liquidating buildings and facilities at institutions of higher education owned and operated by the State of North Carolina.

The College Revolving Fund shall consist of such moneys as shall from time to time be appropriated to or for it by the General Assembly of North Carolina out of the general fund or other funds of the State, of such moneys, securities or other property as may be donated, bequeathed or devised to it from any other sources, of all moneys received in payment of principal and interest on loans made from said fund, and of all other income derived from and accretions to said fund.

Funds accruing to the College Revolving Fund and all notes evidencing loans therefrom shall be deposited with the State Treasurer.

The Advisory Budget Commission, under such rules and regulations as it may deem advisable, not inconsistent with the provisions of this article, may, in accordance with priorities of need as determined by the North Carolina Board of Higher Education, make loans from the College Revolving Fund, for the aforesaid purposes, to institutions of higher education owned and operated by the State of North Carolina; provided, however, that no such loan shall be made for any project which shall not have been previously approved by the General Assembly.

Warrants for the payment of money from the College Revolving Fund shall be issued upon the joint order of the chairman of the Advisory Budget Commission and the Board of Higher Education. (1957, c. 1252, s. 1.)

§ 116-169. **Terms of loans.**—Loans from the College Revolving Fund shall be made upon such terms and conditions as shall be determined by the Advisory Budget Commission, provided, however, that the term of such loans shall not exceed fifty (50) years and interest charged thereon shall not exceed four per cent (4%) per annum. All such loans shall be evidenced by a promissory note or notes of the institution to which the loan is made, duly executed in the name of the institution by the chairman of the board of trustees, and attested by its secretary, pursuant to resolution duly adopted by the board of trustees of the institution. No institution to which any such loan is made shall mortgage or otherwise encumber any building or other facility constructed in whole or in part with the proceeds of such loans or encumber any of the revenue derived from such building or facility. (1957, c. 1252, s. 2.)

§ 116-170. **How loans secured and paid.**—Room rentals for dormitories, and rents, fees, or charges to be made in connection with the use of other facilities or buildings constructed with loans from the College Revolving Fund shall be fixed, and if necessary changed from time to time, pursuant to agreement between the borrowing institution and the Advisory Budget Commission at such amount or amounts as will provide for the operation and maintenance of the building or other facility and equipment and will insure the liquidation of the loan according to its terms; provided, however, that if agreement cannot be reached, the Advisory Budget Commission shall have authority to fix all such rents, fees and charges. Payments on such loans shall be made by the borrowing institution to the State Treasurer, who shall deposit same in the College Revolving Fund. The borrowing institution shall have the privilege of prepaying such loans and interest accrued thereon without penalty. (1957, c. 1252, s. 3.)

IX. REVENUE BONDS FOR STUDENT HOUSING

ARTICLE 19.

Revenue Bonds for Student Housing.

§ 116-175. **Definitions.**—As used in this article, the following words and terms shall have the following meanings, unless the context shall indicate another or different meaning or intent.

- (1) The word “board” shall mean the board of trustees of any of the following: The University of North Carolina, Agricultural and Technical College of North Carolina, Appalachian State Teachers College, East Carolina College, Elizabeth City State Teachers College, Fayetteville State Teachers College, North Carolina College at Durham, Pembroke State College, Western Carolina College, and Winston-Salem Teachers College.
- (2) The word “cost” as applied to a project shall include the cost of acquisition or construction, the cost of all labor, materials and equipment, the cost of all lands, property, rights and easements acquired, financing charges, interest prior to and during construction and, if deemed advisable by the board, for one year after completion of construction, cost of plans and specifications, surveys and estimates of cost and/or revenues, cost of engineering and legal services, and all other expenses necessary or incident to such acquisition or construction, administrative expense and such other expenses, including reasonable provision for initial operating expenses, as may be necessary or incident to the financing herein authorized. Any obligation or expense incurred by the board prior to the issuance of bonds under the provisions of this article in connection with any of the foregoing items of cost may be regarded as a part of such cost.
- (3) The word “institution” shall mean each of the following institutions comprising the University of North Carolina: The University of North Carolina (at Chapel Hill), North Carolina State College of Agriculture and Engineering of the University of North Carolina, and the Woman’s College of the University of North Carolina; Agricultural and Technical College of North Carolina, Appalachian State Teachers College, East Carolina College, Elizabeth City State Teachers College, Fayetteville State Teachers College, North Carolina College at Durham, Pembroke State College, Western Carolina College, and Winston-Salem Teachers College.
- (4) The word “project” shall mean and shall include any one or more buildings for student housing of any size or type approved by the board of trustees, the Board of Higher Education, and the Advisory Budget Commission, and any enlargements or improvements thereof or additions thereto, so approved for the housing of students at either institution, together with the necessary land and equipment. The approval of a project by the Board of Higher Education and the Advisory Budget Commission shall specify a time within which construction contracts shall be awarded. (1957, c. 1131, s. 1.)

§ 116-176. Issuance of bonds.—The board is hereby authorized to issue, subject to the approval of the Advisory Budget Commission, at one time or from time to time, revenue bonds of the board for the purpose of acquiring or constructing any project or projects. The bonds of each issue shall be dated, shall mature at such time or times not exceeding fifty years from their date or dates, shall bear interest at such rate or rates not exceeding five per centum (5%) per annum, as may be determined by the board, and may be redeemable before maturity, at the option of the board, at such price or prices and under such terms and conditions as may be fixed by the board prior to the issuance of the bonds. The board shall determine the form and manner of execution of the bonds, including any interest coupons to be attached thereto, and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest, which may be at any bank or trust company within or without the State. In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. Notwithstanding any of the other provisions of this article or any recitals in any bonds issued under the provisions of this article, all such bonds shall be deemed to be negotiable instruments under the laws of this State. The bonds may be issued in coupon or registered form or both, as the board may determine, and provision may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest, and for the reconversion into coupon bonds of any bonds registered as to both principal and interest. The board may sell such bonds in such manner, at public or private sale, and for such price, as it may determine to be for the best interests of the board, but no sale shall be made at a price so low as to require the payment of interest on the money received therefor at more than five per centum (5%) per annum, computed with relation to the absolute maturity or maturities of the bonds in accordance with standard tables of bond values, excluding, however, from such computation the amount of any premium to be paid on redemption of any bonds prior to maturity.

The proceeds of the bonds of each issue shall be used solely for the purpose for which such bonds shall have been authorized and shall be disbursed in such manner and under such restrictions, if any, as the board may provide in the resolution authorizing the issuance of such bonds or in the trust agreement hereinafter mentioned securing the same. Unless otherwise provided in the authorizing resolution or in the trust agreement securing such bonds, if the proceeds of such bonds, by error of estimates or otherwise, shall be less than such cost, additional bonds may in like manner be issued to provide the amount of such deficit and shall be deemed to be of the same issue and shall be entitled to payment from the same fund without preference or priority of the bonds first issued for the same purpose.

The resolution providing for the issuance of revenue bonds, and any trust agreement securing such bonds, may also contain such limitations upon the issuance of additional revenue bonds as the board may deem proper, and such additional bonds shall be issued under such restrictions and limitations as may be prescribed by such resolution or trust agreement.

Prior to the preparation of definitive bonds, the board may, under like restrictions, issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds shall have been executed and are available for delivery. The board may also provide for the replacement of any bonds which shall become mutilated or be destroyed or lost.

Bonds may be issued by the board under the provisions of this article, subject to the approval of the Advisory Budget Commission, but without obtaining the consent of any other commission, board, bureau or agency of the State, and without any other proceedings or the happening of any other conditions or things than those consents, proceedings, conditions or things which are specifically required by this article.

Revenue bonds issued under the provisions of this article shall not be deemed to constitute a debt of the State of North Carolina or a pledge of the faith and credit of the State, but such bonds shall be payable solely from the funds herein provided therefor and a statement to that effect shall be recited on the face of the bonds. (1957, c. 1131, s. 2.)

§ 116-177. Revenues for payment of bonds; rules for use of facilities.—So long as any bonds issued under this article shall be outstanding the board shall fix, and may revise from time to time, rentals for the facilities to be furnished by any project financed under this article or for the right to use any such facilities or to receive any such services. Such rentals shall be fixed and revised so that the revenues received by the board from any project or projects, together with any other available funds, will be sufficient at all times

- (1) To pay the cost of maintaining, repairing and operating such project or projects, including reserves for such purposes, and
- (2) To pay when added to increased rentals from existing facilities the principal of and the interest on the bonds for the payment of which such revenues are pledged and to provide reserves therefor.

The board shall increase the rentals for the facilities furnished by any existing dormitories at any institution to provide, to the extent necessary, additional funds to liquidate in full any revenue bonds issued under this article.

The board is further authorized to make and enforce and to contract to make and enforce parietal rules that shall insure the maximum use of any project or existing facilities. (1957, c. 1131, s. 3.)

§ 116-178. Trust agreement.—In the discretion of the board and subject to the approval of the Advisory Budget Commission, each or any issue of revenue bonds may be secured by a trust agreement by and between the board and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the State. The resolution authorizing the issuance of the bonds or such trust agreement may pledge to the extent necessary the revenues to be received from any project or projects at any institution and from any similar existing facilities described in § 116-175 (4) at the same institution, in excess of amounts now charged to each occupant of such project, but shall not convey or mortgage any such project or existing facilities, and may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the board in relation to the acquisition or construction of such project or projects and in relation to the maintenance, repair, operation and insurance of such project or projects and such existing facilities, the fixing and revising of rentals and other charges; and, the custody, safeguarding and application of all moneys, and for the employment of consulting engineers or architects in connection with such acquisition, construction or operation. Notwithstanding the provisions of any other law the board may carry insurance on any such project or projects in such amounts and covering such risks as it may deem advisable. It shall be lawful for any bank or trust company incorporated under the laws of the State of North Carolina which may act as depository of the proceeds of bonds or of revenues to furnish such indemnifying bonds or to pledge such securities as may be required by the board. Such resolution or trust agreement may set forth the rights and remedies of the bondholders and of the trustees, if any, and may restrict the individual right of action by bondholders. Such resolution or trust agreement may contain such other provisions in addition to the foregoing as the board may deem reasonable and proper for the security of the bondholders.

The board may provide for the payment of the proceeds of the sale of the bonds and the revenues of any project or existing facilities or part thereof to such officer, board or depository as it may designate for the custody thereof, and for the method of disbursement thereof, with such safeguards and restrictions

as it may determine. All expenses incurred in carrying out the provisions of such resolution or trust agreement may be treated as a part of the cost of operation.

All pledges of revenues under the provisions of this article shall be valid and binding from the time when such pledges are made. All such revenues so pledged and thereafter received by the board shall immediately be subject to the lien of such pledges without any physical delivery thereof or further action, and the lien of such pledges shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the board, irrespective of whether such parties have notice thereof. (1957, c. 1131, s. 4.)

§ 116-179. Sale of bonds; functions performed by executive committee.—The board may authorize its executive committee to sell any bonds which the board has, with the approval of the Advisory Budget Commission, authorized to be issued under this article in such manner and under such limitations or conditions as the board shall prescribe and to perform such other functions under this article as the board shall determine. (1957, c. 1131, s. 5.)

§ 116-180. Moneys received deemed trust funds.—All moneys received pursuant to the authority of this article shall be deemed to be trust funds, to be held and applied solely as provided in this article. The resolution authorizing the issuance of bonds or the trust agreement securing such bonds shall provide that any officer to whom, or bank, trust company or fiscal agent to which, such moneys shall be paid shall act as trustee of such moneys and shall hold and apply the same for the purposes hereof, subject to such regulations as such resolution or trust agreement may provide. (1957, c. 1131, s. 6.)

§ 116-181. Remedies.—Any holder of revenue bonds issued under the provisions of this article or of any of the coupons appertaining thereto, and the trustee under any trust agreement, except to the extent that the rights herein given may be restricted by the resolution authorizing the issuance of such bonds or by such trust agreement, may, either at law or in equity, by suit, action, mandamus or other proceeding, protect and enforce any and all rights under the laws of the State of North Carolina or granted hereunder or under such resolution or trust agreement, and may enforce and compel the performance of all duties required by this article or by such resolution or trust agreement to be performed by the board or by any officer thereof, including the fixing, charging and collecting of fees, rentals and other charges. (1957, c. 1131, s. 7.)

§ 116-182. Refunding bonds.—The board is hereby authorized, subject to the approval of the Advisory Budget Commission, to issue from time to time revenue refunding bonds for the purpose of refunding any revenue bonds issued by the board in connection with any project or projects at any one institution, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such bonds. The board is further authorized, subject to the approval of the Advisory Budget Commission, to issue from time to time revenue refunding bonds for the combined purpose of

- (1) Refunding any revenue bonds or revenue refunding bonds issued by the board in connection with any project or projects at any one institution, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such bonds, and
- (2) Paying all or any part of the cost of acquiring or constructing any additional project or projects at the same institution.

The issuance of such bonds, the maturities and other details thereof, the rights and remedies of the holders thereof, and the rights, powers, privileges, duties and obligations of the board with respect to the same, shall be governed by the foregoing provisions of this article insofar as the same may be applicable. (1957, c. 1131, s. 8.)

§ 116-183. **Acceptance of grants; exemption from taxation.**—The board is hereby authorized, subject to the approval of the Advisory Budget Commission, to accept grants of money or materials or property of any kind for any project from a federal agency, private agency, corporation or individual, upon such terms and conditions as such federal agency, private agency, corporation or individual may impose. The bonds issued under the provisions of this article and the income therefrom shall at all times be free from taxation within the State. (1957, c. 1131, s. 9.)

§ 116-184. **Article cumulative.**—This article shall be deemed to provide an additional and alternative method for the doing of the things authorized hereby and shall be regarded as supplemental and additional to powers conferred by other laws, and shall not be regarded as in derogation of or as repealing any powers now existing under any other law, either general, special or local; provided, however, that the issuance of revenue bonds or revenue refunding bonds under the provisions of this article need not comply with the requirements of any other law applicable to the issuance of bonds. (1957, c. 1131, s. 10.)

§ 116-185. **Inconsistent laws declared inapplicable.**—All general, special or local laws, or parts thereof, inconsistent herewith are hereby declared to be inapplicable to the provisions of this article. (1957, c. 1131, s. 11.)

